

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. See "Plan of Distribution".

PROSPECTUS

Initial Public Offering

November 28, 2006



Minimum offering: 3,333,333 units or \$2,000,000
Maximum offering: 6,666,667 units or \$4,000,000

This offering of a minimum of 3,333,333 units and a maximum of 6,666,667 units (the "Units") of Ranaz Corporation ("Ranaz" or the "Corporation") is an initial public offering (the "Offering"). Each Unit will consist of one common share (a "Common Share") of the Corporation and one-half of one Common Share purchase warrant. Each whole Common Share purchase warrant (a "Warrant") will entitle the holder upon payment of an exercise price of \$0.60 in cash to purchase one Common Share at any time up to 5:00 p.m. (Montréal time) on the date that is 24 months following the closing. The Warrants will be issued in registered form. See "Description of Securities Being Distributed". The Corporation wishes to allocate \$0.50 of the price of each Unit to the Common Share and \$0.10 to the one-half of one Warrant. An application will be filed shortly to have this allocation of value approved by the ministère du Revenu du Québec. The Common Shares and Warrants constituting the Units will be separated immediately following their issue.

Ranaz is a company specialized in manufacturing and marketing protein and dietary supplements related to weight loss or obesity treatments.

There is currently no market through which the common shares and warrants may be traded and purchasers may not be able to resell Common Shares purchased under this prospectus. The TSX Venture Exchange has approved the listing of the Common Shares and the common shares underlying the Warrants ("Underlying Shares") under the symbol "RNZ" subject to certain conditions. Listing is conditional on the Corporation's fulfilling all the TSX Venture Exchange's listing requirements, including the distribution of the Units to a minimum number of public shareholders. **Prior to subscribing for Common Shares, prospective investors should carefully consider certain risk factors related to investing in Common Shares.** See "Risk Factors".

The offering price of the Units has been determined by negotiation between the Corporation and Versant Partners Inc. (the "Agent"). See "Plan of Distribution".

Price: \$0.60 per Unit

	<u>Price to the Public</u>	<u>Agent's Fee</u>	<u>Net Proceeds to the Corporation^{(1) (2)}</u>
Per Unit:	\$0.60	\$0.048	\$0.552
Total minimum offering	\$2,000,000	\$160,000	\$1,840,000
Total maximum offering	\$4,000,000	\$320,000	\$3,680,000

Notes:

- (1) Before deducting the expenses of the Offering, estimated at \$200,000, which, together with the Agent's fee, will be paid by the Corporation out of the proceeds of the Offering. See "Plan of Distribution".
- (2) As additional compensation for its services in selling the Units pursuant to the Offering, the Corporation has also granted Warrants to purchase Units (the "Broker Warrants") to the Agent representing 5% of the total number of Units sold to the public pursuant to the Offering. The Broker Warrants are exercisable for a period of 18 months following the closing date at the offering price hereunder. This prospectus also qualifies the distribution of the Broker Warrants, the Units, the Common Shares and the Warrants underlying the Broker Warrants. See "Plan of Distribution".

(Cover continues on next page)

The Corporation has obtained an advance income tax ruling from the ministère du Revenu du Québec confirming that the Common Shares are eligible for inclusion in an SME Growth Stock Plan. See “SME Growth Stock Plan (Québec)”.

The Agent conditionally offers the Units described herein, if, as and when issued and delivered by the Corporation to, and accepted by, the Agent in accordance with the conditions set out in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Corporation by BCF LLP and on behalf of the Agent by Fraser Milner Casgrain LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the initial closing of this Offering will take place before December 31, 2006, or on such other date as the Corporation and the Agent may agree to and that the certificates evidencing the Common Shares and Warrants will be available for delivery at the closing of this Offering or shortly thereafter. If the maximum offering is not raised by the initial closing date, subsequent closings may take place at any time and from time to time no later than one year after the date of receipt for the final prospectus in respect of this Offering. If the minimum offering is not raised before 90 days from the date of issuance of a receipt for the final prospectus, all subscription monies will be returned to the subscribers without interest or deduction, unless the securities regulatory authorities authorize an extension and the subscribers consent thereto.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	3	ESCROWED SECURITIES	35
INDUSTRY DATA AND TRADEMARKS	4	PRINCIPAL SHAREHOLDERS	35
SME GROWTH STOCK PLAN (QUÉBEC).....	4	SENIOR MANAGEMENT AND KEY EMPLOYEES	36
PROSPECTUS SUMMARY.....	5	DIRECTORS.....	37
SUMMARY FINANCIAL INFORMATION	7	EXECUTIVE COMPENSATION	38
STRUCTURE OF THE CORPORATION.....	9	INDEBTEDNESS OF DIRECTORS AND SENIOR EXECUTIVES	39
INTERCORPORATE RELATIONSHIPS	9	PLAN OF DISTRIBUTION.....	39
GENERAL DEVELOPMENT OF THE BUSINESS.....	9	RISK FACTORS.....	40
PRINCIPAL PRODUCTS AND SERVICES	13	DIVIDEND POLICY	44
OPERATIONS	18	LEGAL MATTERS	44
USE OF PROCEEDS	20	MATERIAL CONTRACTS.....	45
SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND OPERATING RESULTS	21	EXPERTS	45
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.	31	AUDITORS, TRANSFER AGENT AND REGISTRAR.....	45
CONSOLIDATED CAPITALIZATION.....	32	PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	45
DESCRIPTION OF CAPITAL STOCK	32	AUDITORS' CONSENT	A-1
STOCK OPTIONS	33	FINANCIAL STATEMENTS.....	F-1
PRIOR SALES	34	CERTIFICATE OF THE CORPORATION.....	C-1
		CERTIFICATE OF THE AGENT	C-2

FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical facts, included in this prospectus regarding the strategy of the Corporation, its future operations, future financial position and revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words “believe”, “anticipate”, “estimate”, “plan”, “expect”, “intend”, “may”, “project”, “will”, “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The Corporation cannot guarantee that it actually will achieve the forecasts, intentions or expectations disclosed in its forward-looking statements and undue reliance should not be placed on its forward-looking statements. There are a number of important factors that could cause the Corporation’s actual results to differ materially from those indicated or implied by forward-looking statements, including the factors discussed under “Risk Factors” and in other sections of this prospectus. These factors and the other cautionary statements made in this prospectus should be read as being applicable to all related forward-looking statements wherever they appear in this prospectus. Furthermore, any forward-looking statements represent the Corporation’s estimates only as of the date of this prospectus and should not be relied upon as representing the Corporation’s estimates as of any subsequent date. The Corporation does not assume any obligation to update any forward-looking statements. Moreover, the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All references in this prospectus to “dollars” and “\$” refer to Canadian dollars, unless otherwise expressly stated.

INDUSTRY DATA AND TRADEMARKS

Market data and industry forecasts used throughout this prospectus were obtained from various publications. Although management believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

This prospectus contains registered trademarks owned or licensed by the Corporation or one of its subsidiaries, including “Protidiet” and “Protilife”.

SME GROWTH STOCK PLAN (QUÉBEC)

The Corporation has obtained an advance income tax ruling from the ministère du Revenu du Québec confirming that the Corporation is an eligible company and that the Common Shares offered pursuant to the Offering will qualify as eligible shares, upon issuance, for inclusion in an SME Growth Stock Plan in accordance with the announcements contained in the *Additional Information on the Budgetary Measures* of the 2005-2006 Québec Budget tabled on April 21, 2005 (the “**Additional Information**”) and the provisions of the *Taxation Act* (Québec) (the “**Act**”), subject to certain conditions set out in this prospectus. The inclusion of the Common Shares in an SME Growth Stock Plan will entitle an individual (other than a trust) who is resident in Québec on December 31, 2006 to deduct, in the computation of taxable income for Québec tax purposes, 100% of the acquisition cost (established without taking into account the borrowing costs, brokerage costs, custody charges or other similar costs) of the Common Shares acquired pursuant to this Offering and included in an SME Growth Stock Plan no later than January 31, 2007, subject to certain conditions contained in the Additional Information and the Act. The Corporation wishes to allocate \$0.50 of the price of each Unit to the Common Share and \$0.10 to the one-half of one Warrant. An application will be filed shortly to have this allocation of value approved by the ministère du Revenu du Québec. **In this regard, individuals must conclude an arrangement with a dealer within the meaning of the Act and indicate their intention to include the Common Shares in an SME Growth Stock Plan of which they are the beneficiary.**

For the 2006 taxation year, an individual may not claim a deduction in respect of an SME Growth Stock Plan which exceeds 10% of total income (within the meaning of the Act) for the year. **The amount of such deduction will be included in computing the individual’s adjusted taxable income for Québec alternative minimum tax purposes.**

An individual who includes a Common Share in an SME Growth Stock Plan and who withdraws it from such plan, for example by selling it, prior to the end of the third taxation year following the year of its acquisition, may be required to include an amount equivalent to 100% of the acquisition cost (established without taking into account the borrowing costs, brokerage costs, custody charges or other similar costs) in computing income for Québec income tax purposes for the taxation year during which such withdrawal is made. Generally, the amount to be included in income will be reduced by the adjusted cost (determined in accordance with the Act) of eligible shares acquired by the individual and included in an SME Growth Stock Plan within 21 days following such withdrawal.

This text is a summary only and is not intended to be, nor should it be construed as, legal or tax advice to any investor. Accordingly, investors should consult their tax advisors in respect of any matter pertaining to the SME Growth Stock Plan, including the maximum deduction permitted thereunder. This summary is based on the current provisions of the Act, the regulations adopted thereunder, the Additional Information, all specific proposals to amend the Act and the regulations announced publicly by the Minister of Finance of Québec up to the date hereof and the Corporation’s understanding of current administrative practices of the ministère du Revenu du Québec. This summary does not otherwise take into account any changes in the law, whether by legislative, governmental or judicial action.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and is qualified and complemented by more detailed information and financial statements appearing elsewhere in this prospectus.

THE CORPORATION

Ranaz is a company specialized in manufacturing and marketing protein and dietary supplements in relation to weight loss or obesity treatments. Its mission is to design, develop and market nutritional, protein and dietary supplements under private brands, as well as under its own corporate brands, such as “Protidiet” and “Protilife”.

Through its subsidiaries, Ranaz produces high-quality dietary and protein supplements. All of the Corporation’s products have common features, including flavours and tastes that meet market demands, a format tailored to the market, and quick and easy preparation, as well as scientific design and rigorous manufacturing standards.

The Protidiet product line, developed for the niche of physicians treating obesity, consists of a ready-to-eat product line including bars, powders, soups, cookies, concentrates, muffins and other high-protein meals and snacks. The principal markets for the Protidiet concept are North American weight loss clinics and European pharmacies and parapharmacies. The Protidiet product line includes approximately 120 products. The Corporation’s second flagship concept, the Protilife product line, is expected to be sold in North American and Western European pharmacies, offering a protocol for quick weight loss and maintaining a healthy weight. This brand capitalizes on the Corporation’s experience in mass market products and is supported by scientific research.

The Protilife product line will consist of 10 different products, i.e. seven in packets containing protein powder mixes (five sweet and three salty flavours) and three ready-to-eat bars. Both formats are sold in five-serving boxes.

In the initial product development stage, the Corporation is targeting the Canadian market to deploy Protilife in the first quarter of 2007. The Canadian pharmacy networks targeted by the Corporation include approximately 2,657 points of sale.

In a second stage, the Corporation will target launching Protilife in the U.S. and France in the first quarter of 2008.

The Corporation will offer flexible batch sizes by flavour (for nutrition bars). The market is currently served mainly by manufacturers whose clients can meet the requirement of minimum production batches ranging from 125,000 to 250,000 units per flavour. Currently, only a few companies with well known brands or larger domestic retail chains with private labels can meet these requirements.

The Corporation is also in the process of developing a nutrition bar manufacturing project targeting private label as well as its own brands. According to an article published by Health Strategy Consulting LLC, the U.S. nutrition bar market (including granola and cereal bars) was worth US\$2.4 billion in 2004, at which point it included over 200 different brands. The Corporation expects this project to be ready for September 2007. See “Stated Business Objectives”.

THE OFFERING

Issue: The Offering consists of a minimum of 3,333,333 Units for total gross proceeds of \$2,000,000 and a maximum of 6,666,667 Units for total gross proceeds of \$4,000,000.

Price: \$0.60 per Unit

Use of proceeds: The Corporation estimates the net proceeds of the Offering will be approximately \$1,640,000 if the minimum offering is subscribed and \$3,480,000 if the maximum offering is subscribed, after deducting the estimated costs of the Offering and the Agent's fee. The Corporation intends to use the proceeds of the Offering to launch its Protilife product line during the first quarter of fiscal 2007 (at Canadian independent pharmacies and pharmacies in major retail chains), buy a 200,000-sq. ft. property in the suburbs of Montréal to build a plant for September 2007, continue the expansion of the Protidiet brand in the U.S. and Europe, and integrate a nutrition bar production line into the new plant.

Outstanding shares:	Before the Offering ⁽¹⁾	If the Minimum Offering is Subscribed⁽¹⁾	If the Maximum Offering Is Subscribed⁽²⁾
Number of Common Shares	13,333,332	16,666,665	29,523,810
Number of Class A preferred Shares	9,523,811	9,523,811	0

Note:

- (1) Without taking into account the exercise of Warrants held by FIER Ville-Marie, LP or the conversion of Class A preferred shares. See "Description of Capital Stock".
- (2) Without taking into account the exercise of Warrants held by FIER Ville-Marie, LP. See "Description of Capital Stock".

Dividend policy: The Corporation's current policy is to reinvest its future earnings in order to finance the growth and development of its business. As a result, the Corporation does not intend to pay dividends in the foreseeable future. See "Dividend Policy".

Risk factors: An investment in the Common Shares offered hereby is speculative and involves certain risks. These risks include risks related to our business and our industry, and risks related to this Offering. Readers should carefully consider the information set out under "Risk Factors" and the other information contained in this prospectus before purchasing Common Shares.

SUMMARY FINANCIAL INFORMATION

The following tables present a summary of the consolidated financial information as at December 31, 2005, 2004 and 2003 and as at June 30, 2006. These tables should be read in conjunction with the Corporation's consolidated financial statements, including the notes thereto, appearing elsewhere in this prospectus.

FINANCIAL INFORMATION FROM THE CONSOLIDATED BALANCE SHEETS

(In thousands of dollars)	June 30, 2006 (unaudited)	December 31, 2005	December 31, 2004
Cash (bank overdraft)	87	(54)	131
Total assets	4031	2,965	3,686
Long-term liabilities	381	409	1,029
Shareholders' equity	1508	663	283

FINANCIAL INFORMATION FROM THE CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of dollars)	June 30, 2006 (unaudited) (6 months)	December 31, 2005 (12 months)	December 31, 2004 (12 months)	December 31, 2003 (12 months)
Sales	5,365	8,142	7,993	11,147
Cost of sales	3,633	5,449	5,572	6,979
Gross profit	1,732	2,693	2,421	4,168
Research expenses	110	179	356	304
Selling and administrative expenses	1,405	2,308	3,222	3,584
Stock-based compensation expense	-	1,064	-	-
Financial expenses	48	140	116	91
Amortization	113	194	238	163
Exchange loss	98	168	29	46
	1,774	4,053	3,961	4,188
Loss before income taxes and non-controlling interest	(42)	(1,360)	(1,540)	(20)
Income taxes	41	28	(54)	(61)
Earnings (loss) before non-controlling interest	(83)	(1,388)	(1,486)	41
Non-controlling interest	-	-	-	107
Net loss	(83)	(1,388)	(1,486)	(66)
Basic and diluted loss per Class A share	(0,004)	(0,075)	(148,575,500)	(6,618,900)
Weighted average number of Class A shares outstanding	21,041,831	18,445,900	10	10

OTHER FINANCIAL INFORMATION

	June 30, 2006 (unaudited) (6 months)		December 31, 2005 (12 months)		December 31, 2004 (12 months)		December 31, 2003 (12 months)	
	Thousands of \$	%	Thousands of \$	%	Thousands of \$	%	Thousands of \$	%
Sales	5,365	100	8,142	100	7,994	100	11,147	100
Gross profit	1,732	32	2,693	33	2,422	30	4,168	37
EBITDA	119	2	(1,026)	(13)	(1,186)	(15)	127	2
Net loss	(83)	(2)	(1,388)	(17)	(1,486)	(19)	(66)	(0.6)

RECONCILIATION OF EBITDA TO HISTORIC RESULTS

Management believes that EBITDA is an important measure in evaluating the performance of the Corporation. However, EBITDA is not a recognized earnings measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance or to cash flows from operating, investing and financing activities or as a measure of the Corporation's liquidity and cash flows. The Corporation defines and has computed EBITDA as described under "Definition of Non-GAAP Measures". The following table reconciles EBITDA to net loss, based on the historical financial statements of the Corporation for the periods indicated.

(In thousands of dollars)	June 30, 2006 (unaudited) (6 months)	December 31, 2005 (12 months)	December 31, 2004 (12 months)	December 31, 2003 (12 months)
Net loss	(83)	(1,388)	(1,486)	(66)
Interest	48	140	116	91
Income tax expense	41	28	(54)	(61)
Amortization	113	194	238	163
EBITDA	119	(1,026)	(1,186)	127

STRUCTURE OF THE CORPORATION

NAME AND INCORPORATION

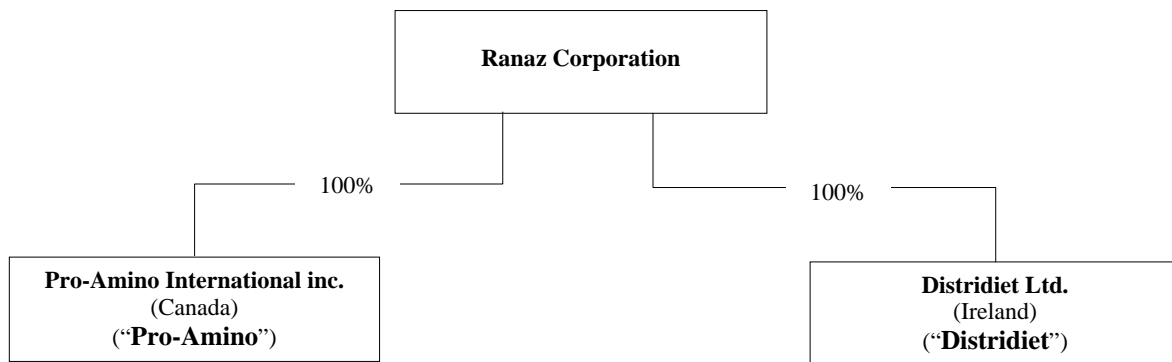
The Corporation was incorporated on October 17, 1991 under the *Canada Business Corporations Act* under the name “Les importations Ranaz inc.” On August 11, 1993, the Corporation changed its name to “Ranaz Corporation”. The Corporation filed articles of amendment on October 23, 2006 to remove the provisions regarding its status as a “private issuer” and change its capital such that it would consist thereafter of common shares only. On November 27, 2006, the Corporation once again changed its capital to enable it to issue an unlimited number of Class A preferred shares. See “Description of Capital Stock”.

PLACE OF BUSINESS

The head office and principal place of business of the Corporation are located at 500 Guindon Street, Suite 111, Saint-Eustache, Québec J7R 5B4.

INTERCORPORATE RELATIONSHIPS

The intercorporate relationships that exist between the Corporation and its subsidiaries are described in the following table:



The Corporation holds all outstanding shares of Pro-Amino, a company incorporated under the *Canada Business Corporations Act*. The Corporation also holds all of the issued shares of Distridiet which is a company incorporated under the laws of the Republic of Ireland. In this prospectus, unless the context indicates otherwise, references to the Corporation also include Distridiet and Pro-Amino.

GENERAL DEVELOPMENT OF THE BUSINESS

THE CORPORATION

Founded in 1989 by Jean Bourassa-Marineau, Pro-Amino specializes in manufacturing and marketing, on global basis, protein and dietary supplements that it develops in-house with its research and development team.

In 1992, the Corporation moved into its new 24,000-sq. ft. premises in Saint-Eustache, and its equipment was modernized.

In 1993, the Corporation entered the European market with a sole distributor and began marketing the Protidiet brand in France.

In 1994, Pro-Amino became a wholly owned subsidiary of the Corporation which was incorporated in 1991 by Jean Bourassa-Marineau for the special purpose of holding the shares of Pro-Amino.

In 1996, the Corporation acquired Fabripak inc., a supplier of packaging services for food powder packets located in Laval, which at that point, was responsible for packaging the Corporation's products. Since then, its assets have been integrated into the Corporation's operations.

In 1997, the Corporation entered into agreements with distribution networks to sell its Protidiet products in Mexico and Lebanon. That same year also saw a considerable increase in domestic and global sales.

In 1998, the Corporation obtained a registration number from the Canada Food Inspection Agency (CFIA) to facilitate the export of its products worldwide. This registration number became necessary subsequent to amendments to European dairy product legislation.

In 1999, the Corporation received the SME Award, Montréal-West Area from a Canadian chartered bank.

In 2002, the Corporation implemented the Kaizen management technique, which resulted in a significant productivity boost for manufacturing operations. The Corporation also created Distridiet in Ireland and implemented its GMO-free manufacturing policy banning genetically modified organisms (GMOs) for the European market.

BACKGROUND OF THE CORPORATION OVER THE PAST THREE FISCAL YEARS

In 2003, the Corporation invested significant amounts in marketing and its sales force to increase its market share in France. During the same year, the Corporation adapted its product line to comply with France's GMO legislation. This adaptation was necessary to avoid having to indicate the presence of GMOs on product labels, which could have significantly harmed the Corporation's European sales.

On October 24, 2003, the Corporation acquired the interest (50%) that Protidiet S.A.S. had in Distridiet. A product distribution agreement between the Corporation and the French company Protidiet S.A.S. ended subsequent to a trade disagreement involving the distribution of competing products ("Protifast") with name that sounds similar to the Corporation's "Protidiet" brand. Since then, Protidiet S.A.S. has changed its name to Protifast S.A.S. The dispute arising from this disagreement was settled between the parties in spring 2006. This settlement, which provides for payment by the Corporation, in 12 instalments, of €38,000 in consideration for the cancellation of a balance of sale of the Corporation payable to Protidiet S.A.S. (for the purchase of its interest in Distridiet) amounting to \$273,743, has been approved by a French court on November 22, 2006.

In 2005, the Corporation entered into a logistics agreement in France to deploy its products in Europe with DGX Pharma ("DGX"), a subsidiary of Celesio Group. Pursuant to this agreement, the Corporation maintains all of its rights as a distributor under its own Protidiet trademark. Accordingly, DGX was mandated to see to the storage of products belonging to Ranaz, and the invoicing, and collection of amounts payable from clients, on behalf of the Corporation, in return for a percentage of established invoicing.

In October 2005, the Corporation entered into an open-ended agreement with the Herbal Magic ULC, a London, Ontario-based company operating a network of weight loss and nutrition centres through its 310 franchisees across Canada. Ranaz began receiving revenues under this agreement relating to the supply of private brand bars and powders in the first quarter of the current fiscal year. These revenues vary from month to month and the agreement does not set out minimum or maximum order levels.

During 2006, the Corporation transferred its logistics operations from DGX to Eurodep by cancelling its logistics agreement with DGX without penalty. Eurodep offers the same services as DGX, in addition to enhancing customer service in France, while efficiently covering Belgium, a required condition for the Corporation subsequent to the acquisition of the customer list in this market from Beautyfood S.A., a Belgian company. No disputes have arisen from the cancellation of the agreement with DGX. Accordingly, on February 1, 2006, the Corporation acquired a client list for the Protidiet brand for the entire Benelux region (Belgium, the Netherlands and Luxembourg) for €250,000. In addition, during the first quarter of 2006, the Corporation started delivering products related to its agreement with Herbal Magic ULC.

Finally, in April 2006, the Corporation completed a private placement of 2,857,143 common shares with FIER Ville-Marie, LP totalling \$1 million.

DESCRIPTION OF THE BUSINESS

General

Ranaz is a company specialized in manufacturing and marketing protein and dietary supplements related to weight loss or obesity treatments. Its mission is to design, develop and market nutritional, protein and dietary supplements under private brands, as well as under its own corporate brands, such as “Protidiet” and “Protilife”. The Protidiet product line consists of approximately 120 products and the Protilife line includes 10 products (seven in packets and three ready-to-eat bars).

The Corporation’s Irish subsidiary Distridiet distributes the Protidiet products in the French and Belgian markets.

Pro-Amino holds different trademarks, and manufactures and distributes Protidiet brand products in countries other than France and Belgium, and is responsible for private brand contracts.

Ranaz acts as a management company for Distridiet and Pro-Amino.

Through its subsidiaries, Ranaz produces high-quality dietary and protein supplements. All of the Corporation’s products have common features, including flavours and tastes that meet market demands, a format tailored to the market, and quick and easy preparation, as well as scientific design and rigorous manufacturing standards.

The Corporation’s products are developed for optimal taste, which requires in-depth knowledge of product formulation using ingredients that meet the specifications stipulated by the various weight loss protocols. Each flavour is studied according to its target distribution country to enable it to assume a leadership position for quality and flavour. The resulting developed product is then submitted to a battery of tests to control quality, nutritional content and microbiological make-up, as well as to conduct sensory analysis (test, odour and texture).

The Corporation has very stringent product quality controls. In 1998, the Minister of Agriculture and Agri-Food granted the Corporation a registration certificate, which has subsequently been renewed each year, facilitating export of its products worldwide. This registration certificate is granted under the *Dairy Products Regulations*, pursuant to the enabling statute, the *Canada Agricultural Products Act*. This regulation governs the granting conditions of the registration certificates. There are many and rigorous conditions to be met. Without providing an exhaustive list, the registered establishment must not be near a pollution source, must have adequate pest control, must allow for proper drainage and must include a sufficient number of rooms to allow for the separation of incompatible operations. Since Canada is world-renowned for having rigorous standards for the registration of establishments, this reputation often serves as certification of compliance with the legislative framework for the food industry beyond Canada’s borders.

The Corporation has based its products on two business concepts: Protidiet and Protilife. (See “Principal Products and Services”.)

The Corporation is also in the process of developing a nutrition bar manufacturing project targeting private label as well as its own brands. The Corporation expects this project to be ready for September 2007. See “Stated Business Objectives”.

New markets

The Corporation assesses several factors before deciding to operate in a new market. Accordingly, the Corporation will not enter a new market unless the following criteria have been met:

- The product’s end consumer can easily be identified and targeted;
- The product’s distribution niche provides for effective contact with the target client;
- The product offering is easily adaptable to the distribution niche;
- The chosen distribution niche provides for repeat sales.

For information purposes, during the fiscal year ended December 31, 2005, the Corporation's total revenues were geographically distributed as follows:

Country	Percentage of revenues
Canada	48.4%
U.S.	20.9%
France	23.9%
Other	6.8%

Therefore, during the fiscal year ended December 31, 2005, export sales realized during the year accounted for approximately 51.6% of the Corporation's total revenues.

For the six-month period ended June 30, 2006, the Corporation's total revenues were geographically distributed as follows:

Country	Percentage of revenues
Canada	54.4%
U.S.	19.7%
France	18.5%
Other	7.4%

Canada and the U.S.

The Corporation's Protidiet products are currently sold by the Corporation without intermediaries in Canada and the U.S. to medically supervised clinics through commercial weight loss chains and in shops specializing in the treatment of obesity. The Corporation's products are sold in over 100 clinics in Canada, over half of which are in Québec. The new Protiflife product line will be sold to pharmacy chains and big-box pharmacies as over-the-counter products.

Europe

Through the European company Eurodep, which is linked to Ranaz by a logistics agreement, the Corporation's products are distributed in France and Belgium in pharmacies and parapharmacies (establishments with all the features of pharmacies—which are subject to regulatory control—except the prescription counter, but that still offer customers advice). Ranaz has a total of approximately 880 points of sale for its products in France and Belgium.

The Corporation expects to introduce its Protiflife product line in big-box parapharmacies (Auchan, Carrefour, Monoprix, etc.) in the first half of 2008.

Stated business objectives

The Corporation intends to reach the following business goals according to the order of priority set out below:

Launch of the Protiflife product line in pharmacies in 2007

The Corporation intends to launch a weight loss and weight maintenance program in Canada based on the expertise it has acquired in manufacturing high-protein diet products over the past 17 years. This weight loss program will include a line of products specially designed to enable quick weight loss while incorporating a healthy weight maintenance program once a healthy weight is reached. The product line will be distributed through the independent retail big-box pharmacy networks, such as Brunet, Jean Coutu (PJC), Shoppers Drug Mart, Pharmaprix, Uniprix and Familiprix. The Corporation intends to implement 1,400 to 1,900 points of sale for this product line.

New plant for Fall 2007

Construction of a new 35,000-sq. ft. plant in the Greater Montréal Area in order to:

- Adapt an overall production chain to the Corporation's Value-Added Production (VAP) model. This should result in production gains and will enable the Corporation to enhance its competitive edge *vis-à-vis* its competitors;
- Permit the integration of all human resources related to the Protillife project; and
- Provide the flexibility required to rapidly expand production and storage capacity.

Continue expanding the Protidiet brand in the U.S. and Europe in 2007

The Corporation intends specifically to introduce new products in new formats. See "Principal Products and Services – Protidiet – Stages of Development".

Launch of the Protillife product line in retail big-box pharmacies in Canada in 2007

In addition to the goal of introducing the product line into independent pharmacies, the Corporation intends to launch its product line in pharmacies in retail big-box chains, such as Wal-Mart and Loblaws. The Corporation expects to set up approximately 560 to 754 (278 at Wal-Mart and 476 Rx Drugstores at Loblaws) points of sale for the product line. To date, Ranaz has presented the Protillife concept to representatives of a chain of independent pharmacies and has hired a senior sales director responsible for the marketing of the Protillife product line.

Nutrition bar production line into the new plant for Fall 2007

The Corporation plans to integrate a nutrition bar production line into its new plant for Fall 2007.

Milestones

To launch the Protillife line in pharmacies, the Corporation will need to enter into marketing agreements with Canada's major pharmacy chains to bring the products to market by the spring 2007 at the latest and, if possible, with the major retail chains with integrated pharmacies to bring the products to market by spring 2007 at the latest.

During the first quarter of fiscal 2007, the Corporation plans to make expenditures for advertising, promotional items and product inventory.

The Corporation plans to acquire a 200,000 sq. ft. lot and begin construction of the plant by March 2007 at the latest.

The Corporation expects to obtain financing for the building, lot, office equipment and furniture. See "Use of Proceeds".

The Corporation also intends to obtain further financing (bank or other loans) for the acquisition of the materials required for the design of a production line in 2007.

PRINCIPAL PRODUCTS AND SERVICES

PROTIDIET

In terms of its marketing niche, the Protidiet product line targets physicians treating obesity. More specifically, Protidiet is a weight loss product incorporating biologically valuable proteins with vitamins and mineral salts. It is a weight loss diet based on the protein diet derived from clinical studies conducted by Dr. George Blackburn, a Harvard University nutrition specialist. Protidiet is a ready-to-eat product line consisting of bars, powders, soups, cookies, concentrates, muffins and other high-protein meals and snacks designed to facilitate weight loss.

Principal markets

The principal markets for the Protidiet line are North American weight loss clinics and European pharmacies and parapharmacies.

Distribution methods

In Canada and the U.S., the Protidiet products are sold by the Corporation without intermediaries to medically supervised clinics, commercial weight loss chains and shops specializing in obesity treatments.

In Europe, the products are sold over the counter at pharmacies and parapharmacies.

Competitors of the Corporation in North America

There are very few businesses in the world that specialize in manufacturing diet and protein products. A large number of the businesses in the nutritional food industry, such as Atkins, Adrien Gagnon and Jamieson have their products manufactured by subcontractors, such as Ranaz. By manufacturing its products in-house, Ranaz will have the advantage of having lower production costs than its competitors and better content control for products already on the market.

The Corporation sets itself apart from its competitors by adapting its strategies to the various market segments, such as the pharmacies or medical segment. It is important to remember that product brand concepts are where competition is the most acute.

Principal competitors of the Protidiet line in North America

The Corporation believes its principal competitors are as follows:

Bariatrix International

Bariatrix International (“**Bariatrix**”), the Corporation’s largest competitor in the powder and bar industry, has a market presence in Canada, the U.S. and France. Bariatrix has been well established for some 20 years and has developed and launched diet products and protein supplements for weight control programs based on protein supplements. This company primarily targets clinics treating obesity and private brand manufacturing of various products in powder and bar formats. In 2003, Bariatrix sold its manufacturing operations to Nellson Nutraceutical Inc. (“**Nellson**”) for an estimated total of US\$325 million. Since then, this company no longer manufactures its products in-house and fulfils its manufacturing needs in the U.S. To the best of the Corporation’s knowledge, its strategy is based solely on physicians (North America) and private labels (Europe).

Robard Corporation

This company is absent from the Canadian and European markets and has been active for some 30 years in the U.S., where it markets its nutritional supplements. Its nutritional supplements contain proteins and are marketed under the Robard Corporation Inc. brand, as well as other (low-volume) private brands. Its products are mainly marketed via healthcare specialists and clinics run by physicians treating obesity. It manufactures the powder products in-house and outsources the manufacturing of its bars. The weight loss method on which Robard Corporation products are based is the one used in traditional protein weight loss programs.

Healthwise

Healthwise is present in the United States only. As a small market player, it manufactures only powder products and outsources the manufacturing of its bars to Les Aliments Multibar inc. To the best of the Corporation’s knowledge, this company does not offer private label services.

R-Kane

This is another smaller player that sells its products—mostly powders—exclusively in the U.S., and more specifically in clinics treating obesity through protein product consumption. R-Kane offers a line of powder shakes that it manufactures in-house and bars that it outsources. To the best of the Corporation’s knowledge, R-Kane does not offer private label services.

Promedis

This Jamieson subsidiary specializes in powders and bars. Promedis has a market presence in the U.S. and Canada, and the Corporation believes it benefits from a considerable reputation thanks to the “Jamieson” brand. It manufactures its

powder products in-house and outsources bar manufacturing. To the best of the Corporation's knowledge, Promedis does not offer private label services.

Competitors of the Protidiet line in Europe

Unlike in North America, the high-protein diet is well known in France, Belgium and Italy. Just as meal replacements are well known in North America, high-protein diet products are readily available in big-box outlets, pharmacies, and in specialized shops/clinics. The Corporation considers that the European competitors of the Protidiet concept are as follows:

Competitor company	Product line	AVAILABILITY				
		Big-box and medium-sized retail outlets	Pharmacies	Parapharmacies	Clinics	Mail order sales
Distriborg Groupe	Gayelord Hauser	√				
Laboratoire NPC	Dietline	√	√			
Proteika ⁽¹⁾	-				√	√
KOT	-		√			
Protical	-	√ ⁽²⁾	√ ⁽²⁾			
Milical	-	√ ⁽²⁾	√ ⁽²⁾			
Protifast	-		√	√		

Notes:

- (1) Was recently acquired by Nestlé.
- (2) With respect to meal replacements.

Stages of development

Ranaz plans to continue developing new clientele in North America through new product launches and continuous improvements to service. During the last quarter of fiscal 2006, two new liquid juice concentrates, a new multilayer bar and a breakfast cereal will be introduced at the specialized trade show of the American Society of Bariatric Physicians (ASBP), to be held from October 28 to November 1, 2006 in San Diego, U.S.

For Europe, during the first quarter of 2007, the Corporation is planning to introduce liquid juice concentrates, revamp its packaging in box format to present the current Protidiet product line in five-unit packages, with a view to offering European consumers a product priced under €10 and offering its 20 most popular products in individual formats, which will be marketed in a special display unit. The Corporation recently brought its new Web site www.protidiet.com online, enabling direct consumer product sales and access to a host of information on the Protidiet high-protein diet. **The content of this Web site is not part of this prospectus and is not incorporated by reference. Potential investors should not rely on it to make their decision whether or not to invest in the Common Shares offered in this prospectus.**

PROTLIFE (PROJECT)

The Corporation's second flagship product is its Protiflife product line, which will be sold in North American pharmacies. Protiflife will offer a protocol enabling individuals to lose weight rapidly, meet a healthy weight objective and maintain that healthy weight over time.

The Protiflife line is a weight loss protocol including high-protein products, supported by the methodology used by medical weight loss programs based on the very low calorie diet (VLCD) and low calorie diet (LCD) theories. The

Corporation will back up the protocol and its Protilife products with its 17 years of experience in developing high-protein products for use in connection with LCD and VLCD weight loss protocols.

The brand's principal features will be its quality, scientific basis, effectiveness and high-protein levels, whereas its secondary features will promote the fact that it is healthy, low-calorie, great tasting and aspartame-free.

This brand will enable the Corporation to capitalize on its experience in developing products for the weight loss industry by introducing a mass market product supported by scientific research. The Corporation wishes to position this brand to establish Ranaz as the world leader in the developing and marketing of quality and effective high-protein weight loss and health supplements and consumer market expertise.

The Protilife product line will enable fast weight loss while providing the nutrients needed to maintain muscle mass. Once the target healthy weight is reached, the individual will be able to follow a Protilife weight maintenance program, which is a diet based on the four food groups, as recommended by the *Canada Food Guide*, while integrating Protilife products to facilitate follow-ups.

The Protilife product line will consist of 10 different products, or seven products in packets containing protein powder mixes (five sweet and three salty flavours) and three ready-to-eat bars; both formats are sold in five-serving boxes.

Protilife will compete directly with existing products currently on pharmacy shelves, such as *Slimfast* from Unilever, *Nutriforme* from Adrien Gagnon, *Nutribar* from Stella Pharmaceutical Canada Inc., *Zone* from Zone Labs, Inc. and all the other weight loss products in the meal substitute category under the *Food and Drug Regulations*.

The Protilife product line will create a new category from a marketing perspective. As a result, Protilife will not be a meal substitute, but a nutritional supplement that is part of a safe weight loss program approved by the Corporation's scientific advisor.

In the initial product development stage, the Corporation is targeting the Canadian market to deploy Protilife in the first quarter of 2007. The Canadian pharmacy networks targeted by the Corporation include approximately 2,657 points of sale.

In a second stage, the Corporation will target launching Protilife in the U.S. and France in the first quarter of 2008.

Principal markets

The principal markets for the Protilife concept are the clientele of pharmacies and big-box outlets in search of weight loss programs readily available in North America and Western Europe.

Principal competitors of the Protilife concept

The Protilife concept currently has no competitors. In fact, since the Protilife concept is a *nutritional supplement*, and not a *meal replacement*, it will be the first product in this category to be sold in big-box stores. As a result, it will be important for the Corporation to clearly differentiate its product from its competitors.

Distribution methods for Protilife

This product line will be sold over the counter initially in pharmacies and then in big-box outlets in North America and Western Europe. A marketing campaign costing between \$600,000 and \$1 million will be launched in Canada, focusing on print magazines, newspapers and targeted promotions.

PRODUCTION OF NUTRITION BARS (PROJECT)

The Corporation is working on a project for producing nutrition bars to be distributed under private label or under its own brands.

The Corporation currently buys nutrition bars from a subcontractor and resells approximately 7,500,000 bars per year under the Protidiet brand and under other private labels.

The main reasons for this project are as follows:

- Nutrition bars are key products in the nutrition product line;
- Being a manufacturer gives greater flexibility over product formulas;
- Since it is accredited, the Corporation is better placed to ensure production quality control;
- Possibility of producing smaller batches;
- Higher profit margins; and
- Nutrition bars can be used to boost sales of other products as part of comprehensive sales agreements.

The Corporation's preliminary estimate of its financial needs for this project is \$2.7 million. The project may be conditional on the Corporation's raising additional capital.

The Corporation is currently studying plans for a production line that can deliver:

- Approximately 36 million 40g bars annually at 80% of annual production capacity
- A very extensive range of bars: extruded bars, cereal bars and multilayer bars.

Main markets and distribution methods for the bar production project

The Corporation will offer flexible batch sizes by flavour. The market is currently served mainly by manufacturers whose clients can meet the requirement of minimum production batches of between 125,000 and 250,000 units per flavour. Currently, only a few companies with well known brands or larger domestic retail chains with private labels can meet these requirements.

The Corporation has identified the equipment necessary for the production of minimum batches of approximately 25,000 units per flavour and intends to offer clients a turnkey concept—bar production, packaging design, standards quality assurance for ingredients and labelling.

The Corporation will develop its own concepts and solicit leading retailers such as Wal-Mart and Costco as well as companies with regional and national brands.

According to an article published by Health Strategy Consulting LLC, the U.S. nutrition bar market (including granola bars and cereal bars) was worth US\$2.4 billion in 2004 and included more than 200 different brands. However, with most players in this market outsourcing their production, the nutrition bar production market (including all types of nutrition bars) was valued at US\$700 million in 2004.

The Corporation is planning to attend the following trade fairs every year starting 2007 to prospect for new clients: particularly SIAL (Paris), PLMA (Amsterdam), PLMA (Chicago), Nature Expo West (U.S.) and Nature Expo East (U.S.)—the most important trade fairs for private label products.

Development stages

As of the date of this prospectus, the Corporation has identified and estimated all the costs for installing a production line and has developed two recipes that must be tested on the production equipment.

Formulating several new nutrition bar recipes will require the Corporation to hire qualified personnel externally. The Corporation has already identified the potential candidates for the project and is confident about signing development agreements with them.

The Corporation's main manufacturing competitors in North America

Pharmalab (1982) Inc.

This company is a subsidiary of Le Groupe M. Vachon inc., which specializes in manufacturing protein-enriched products in powder form only that are distributed solely under private labels.

Nellson Nutraceutical

This U.S. based company specializes in manufacturing nutrition products in powder form and bars. It markets its products exclusively under private label for large national nutrition product brands as well as for large chains seeking private label products. Fremont Partners, a California venture capital firm, is the majority shareholder of this company, which owns a 260,000 square foot plant, acquired from Bariatrix in 2003 to produce bars.

The Corporation's main manufacturing competitors in Europe

In terms of product manufacturing, the Corporation's main European competitors are Laboratoire NPC (distributors of Diet Line products) and Bariatrix Europe inc.

Laboratoire NPC

Laboratoire NPC specializes in developing and marketing high protein health food for slimming and treating obesity as well as dietary products for seniors and athletes. It is a public company listed on the Euronext Paris exchange since March 2000.

OPERATIONS

The Corporation's current strategy is to offer complementary products and adapt existing formulas to different niche markets. One of the strategies that the Corporation intends to focus on in the future is to seek growth via new horizontal and vertical partnerships and expand its markets in North America, Europe and worldwide.

The marketing plan for the export market is twofold: maintain and expand market share in existing markets, and introduce the Corporation's products in countries where they were previously not available.

This marketing plan requires market studies, pilot projects, attendance at trade fairs as well as sound planning and organization of business with partners.

Before developing a new market, management focuses on the market needs and identifies the strategy that best suits those specific needs. Management methodically researches and analyzes market information and consults with various players.

The next step is to find partners who can implement the marketing plans. Partners are offered the option of working together with the Corporation's own resources or of working independently as distributors, manufacturing agents or advertising agencies. The relationship between the Corporation and a distributor is similar to franchiser and franchisee—training, information, and technical and marketing support are compulsory. Jean Bourassa-Marineau, the President and Martin Vidal, the Vice-President are directly involved in discussions and negotiations with the Corporation's strategic partners.

Management takes into account all factors aimed at increasing the Corporation's visibility. For example, original and high quality packaging has been designed to make the Corporation's products stand out.

To boost sales, the Corporation uses sophisticated marketing tools such as editorial advertising, telemarketing, regular news items in specialized magazines, an appealing Web site and promotional items. By attending various medical conferences and numerous trade fairs, the Corporation intends to monitor market trends and enter into sales agreements.

FACILITIES

The Corporation's head office and operations are located at 500 Guindon Street in Saint Eustache (Québec). The premises are held under a lease signed on September 1, 2005 between Pro-Amino and Gestion J.C. Lussier enr. and renewed on September 1, 2006. The lease is granted for a total consideration of \$185,384.40, payable in equal, monthly and consecutive instalments of \$15,448.70. The lease will expire on August 31, 2007.

Currently covering an area of 34,000 square feet, the Saint Eustache facilities house the manufacturing operations, the warehouse and the administrative offices. According to management, production capacity is currently around 40%. To realize its nutrition bar production project, the Corporation must expand its current premises by 8,000 square feet to accommodate the production area dedicated to manufacturing and storing bars, or relocate to a new building. The Corporation plans to build a new plant with a total area of 35,000 square feet on a 200,000 sq. ft. property at an approximate cost of \$3.5 million. Construction is expected to start in March 2007 and end in August 2007. With this new plant, all existing production operations will be integrated into the Corporation's value-added production methodology compliance process. Management believes that the premises will meet the Corporation's needs for the next three years. However, it will be possible for the Corporation to expand the premises up to 100,000 square feet, which will meet its needs for at least ten more years.

This location was chosen for the following reasons: proximity to the Greater Montréal area, low rent costs, availability of qualified manpower and easy access to the two Montréal international airports.

SPECIALIZED SKILLS AND KNOWLEDGE

To carry on its business and prepare product ingredients, the Corporation requires its personnel to have knowledge of product formulation and hold a bachelor's degree in food sciences and technology. The Corporation has had no difficulty recruiting personnel with these skills.

INGREDIENTS

The different products are made using raw materials from Canada and other countries. These raw materials are generally purchased from suppliers that the Corporation has been doing business with for several years. Each supplier must meet high preset quality standards to ensure that products meet the Corporation's standards and provide full customer satisfaction. The principal raw materials used by the Corporation are milk proteins and hydrolyzed gelatin. In 2005, the Corporation made 31% of its purchases (33% in the fiscal year ended December 31, 2004) from a single supplier. The Corporation has maintained a good business relationship with this supplier for the past 12 years. See "Risk Factors – Risks Related to Our Business and the Industry".

Since the raw materials used in the products are readily available, the Corporation always has the possibility of sourcing them from several different suppliers at attractive prices. Moreover, it is the Corporation's policy to have at least one or sometimes two alternative suppliers for certain raw materials.

Suppliers are selected based on criteria such as product quality, speed of delivery and price to ensure that the Corporation maintains its competitive edge. Other product sources have been pre-approved to prevent any inventory shortages for the Corporation.

INTANGIBLE ASSETS

The Corporation's segment intangible assets are primarily a synthesis of the Corporation's sophisticated knowledge of its market and its production process expertise. Although intellectual property is not the Corporation's main asset, the Protidiet brand plays an important role, particularly in the European market where it enjoys some recognition.

CYCLES

The Corporation generates more than half of its annual sales during the first half of the year. In fact, due to various sociological factors, the Corporation's peak sales period is between February and June.

EMPLOYEES

As at June 30, 2006, the Corporation employed 38 persons in Canada, broken down as follows:

- 3 management team members

- 8 administrative staff
- 3 salespersons
- 3 research and development specialists and
- 21 production personnel.

The Corporation's employees are not covered by any collective bargaining agreement or represented by a trade union.

The production team is key to the Corporation's activities. Team members are responsible for strictly implementing the formulas developed by the research and development department. Each sub-team follows predetermined specific methods and procedures for their respective tasks, namely ingredient weighing, mixing, processing and packaging. All production stages are supervised by quality control personnel.

The inventory management team, which boasts a sophisticated computer system, uses data management tools to continuously update invoicing, accounts receivable and inventory. The Corporation makes sure that inventories are always maintained at optimal levels while complying with the goal of maximum customer satisfaction. Only ingredients related to repeat orders are kept in stock.

The order dispatching team is responsible for preparing orders and signing delivery vouchers. Since the Saint Eustache location offers easy access to the Greater Montréal area, transportation costs are lower. Fierce competition among long-haul carriers are also driving down prices. Proximity to Montréal international airports is an advantage for international shipments. Thanks to the Corporation's sound inventory management, special orders can be delivered in under two to three weeks, while competitors can take up to six to eight weeks.

The Corporation's sales strategy is reviewed every quarter and is adapted to each market segment and territory.

The Corporation places special emphasis on training for its personnel. The compensation system includes incentives that have a direct impact on productivity. The Corporation's current status as an emerging company fosters creativity, resulting in team drive and initiative. New ideas are encouraged by management.

The research and development team is one of the Corporation's competitive advantages. The team designs the various products, improves existing products and assists in developing new products under the supervision of Dr. Farouk Radwan, Scientific Advisor. Dr. Radwan is also Assistant Clinical Professor at the Faculty of Medicine at Université de Montréal, a staff member of its nutrition department, responsible for the lipids sector in the Biochemistry Department of Centre Hospitalier de l'Université de Montréal (**CHUM**) and a member of its specialized Nutrition Committee. In addition, Dr. Radwan teaches the metabolism of lipoproteins at the Department of Nutrition, Université de Montréal. All R&D team members have college or university training in a field relevant to the Corporation's activities.

TRENDS

The protein and dietary supplements industry has been expanding worldwide but has not yet reached its peak. Slimming products are enjoying strong global growth. Increasing numbers of people appear to be suffering from weight problems and are shifting to high protein diets. According to a Statistics Canada survey, 23% of Canadian adults were overweight in 2004, compared with almost 30% in the U.S.

USE OF PROCEEDS

The Corporation estimates the net proceeds of the Offering will be approximately \$1,640,000 if the minimum offering is subscribed and \$3,480,000 if the maximum offering is subscribed, after deducting the estimated costs of the Offering and the Agent's fee. The Corporation intends to use the proceeds of the Offering to launch its Protolife product line during the first quarter of fiscal 2007 (at Canadian independent pharmacies and pharmacies in major retail chains), buy a 200,000 sq. ft. property in the suburbs of Montréal and build a plant for September 2007, continue the expansion of the Protidiet brand in the U.S. and Europe, and integrate a nutrition bar production line into the new plant.

The following table shows the main uses of the funds available to the Corporation subsequent to the Offering:

	Minimum Offering	Maximum Offering
Estimated amount of available funds (following the Offering)	\$1,640,000	\$3,480,000
Funds earmarked for launching the Protiflife product line (Canadian independent pharmacies)	\$412,724	\$412,724
Funds earmarked for launching the Protiflife product line (pharmacies integrated into major retail chains)	Nil	\$227,955
Funds earmarked for the new plant	\$248,335	\$248,335
Funds earmarked for expanding the Protidiet product line in the U.S. and in Europe	\$126,350	\$126,350
Funds earmarked for integrating a nutrition bar production line into the new plant	Nil	\$511,229
Funds earmarked for working capital	\$852,591	\$1,953,407
	\$1,640,000	\$3,480,000

The estimated consolidated working capital as at September 30, 2006 amounted to approximately \$567,115.

See “Stated Business Objectives” and “Milestones”.

FUNDS EARMARKED FOR WORKING CAPITAL

Minimum offering

Of the \$852,591 balance, approximately \$300,000 will be allocated to the financing of the inventories of finished goods and the raw materials required based on anticipated product sales for the Protiflife product line, \$300,000 will be allocated to the inventory of raw materials and finished goods for the Protidiet product line, \$110,000 will be allocated to the inventory of private label products and \$142,591 to working capital in respect of the Corporation’s current operations.

Maximum offering

Of the \$1,953,407 balance, approximately \$630,000 will be allocated to the financing of the inventories of finished goods and the raw materials required based on anticipated product sales for the Protiflife product line, \$450,000 will be allocated to the inventory of raw materials and finished goods for the Protidiet product line, \$310,000 will be allocated to the inventory of private label products, with \$150,000 in raw material inventories used to manufacture nutrition bars and \$413 407 will be allocated to working capital in respect of the Corporation’s current operations.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND OPERATING RESULTS

CONSOLIDATED FINANCIAL INFORMATION

Summary financial information

The following tables present a summary of the consolidated financial information as at December 31, 2005, 2004 and 2003 and as at June 30, 2006. These tables should be read in conjunction with the Corporation’s consolidated financial statements, including the notes thereto, appearing elsewhere in this prospectus.

Financial information from the consolidated balance sheets

(In thousands of dollars)	June 30, 2006 (unaudited)	December 31, 2005	December 31, 2004
Cash (bank overdraft)	87	(54)	131
Total assets	4,031	2,965	3,686
Long-term liabilities	381	409	1,029
Shareholders' equity	1,508	663	283

Financial information from the consolidated statements of earnings

(In thousands of dollars)	June 30, 2006 (unaudited) (6 months)	December 31, 2005 (12 months)	December 31, 2004 (12 months)	December 31, 2003 (12 months)
Sales	5,365	8,142	7,993	11,147
Cost of sales	3,633	5,449	5,572	6,979
Gross profit	1,732	2,693	2,421	4,168
Research expenses	110	179	356	304
Selling and administrative expenses	1,405	2,308	3,222	3,584
Stock-based compensation expense	-	1,064	-	-
Financial expenses	48	140	116	91
Amortization	113	194	238	163
Exchange loss	98	168	29	46
	1,774	4,053	3,961	4,188
Loss before income taxes and non-controlling interest	(42)	(1,360)	(1,540)	(20)
Income taxes	41	28	(54)	(61)
Earnings (loss) before non-controlling interest	(83)	(1,388)	(1,486)	41
Non-controlling interest	-	-	-	107
Net loss	(83)	(1,388)	(1,486)	(66)
Basic and diluted loss per Class A share	(0,004)	(0,075)	(148,575,500)	(6,618,900)
Weighted average number of Class A shares outstanding	21,041,831	18,445,900	10	10

OTHER FINANCIAL INFORMATION

	June 30, 2006 (unaudited) (6 months)		December 31, 2005 (12 months)		December 31, 2004 (12 months)		December 31, 2003 (12 months)	
	Thousands of \$	%	Thousands of \$	%	Thousands of \$	%	Thousands of \$	%
Sales	5,365	100	8,142	100	7,994	100	11,147	100
Gross profit	1,732	32	2,693	33	2,422	30	4,168	37
EBITDA	119	2	(1,026)	(13)	(1,186)	(15)	127	2
Net loss	(83)	(2)	(1,388)	(17)	(1,486)	(19)	(66)	(0.6)

RECONCILIATION OF EBITDA TO HISTORIC RESULTS

Management believes that EBITDA is an important measure in evaluating the performance of the Corporation. However, EBITDA is not a recognized earnings measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance or to cash flows from operating, investing and financing activities or as a measure of the Corporation's liquidity and cash flows. The Corporation defines and has computed EBITDA as described under "Definition of Non-GAAP Measures". The following table reconciles EBITDA to net loss, based on the historical financial statements of the Corporation for the periods indicated.

(In thousands of dollars)	June 30, 2006 (unaudited) (6 months)	December 31, 2005 (12 months)	December 31, 2004 (12 months)	December 31, 2003 (12 months)
Net loss	(83)	(1,388)	(1,486)	(66)
Interest	48	140	116	91
Income tax expense	41	28	(54)	(61)
Amortization	113	194	238	163
EBITDA	119	(1,026)	(1,186)	127

MANAGEMENT'S DISCUSSION AND ANALYSIS

This report, dated October 24, 2006, is a discussion relating to the Corporation's financial position and operating results for the six-month periods ended June 30, 2006 and 2005, and for the fiscal years ended December 31, 2005, 2004 and 2003. This discussion should be read in conjunction with the Corporation's selected consolidated financial information, the interim unaudited consolidated financial statements and the audited consolidated financial statements and notes thereto, appearing elsewhere in this prospectus.

Management's responsibility for financial reporting

The interim unaudited consolidated financial statements, the Corporation's audited consolidated financial statements and the financial information presented in this prospectus are the responsibility of management and have been approved by the Board of Directors of the Corporation. The said financial statements have been prepared by management in accordance with Canadian GAAP. They include amounts based on management's best judgment and estimates. In order to ensure the accuracy and objectivity of information included in the financial statements, management has designed, implemented and maintains internal control systems. Management is of the opinion that these internal controls provide reasonable assurance, at a reasonable cost, regarding the reliability of accounting records necessary for the preparation of financial statements and the safeguarding of assets. The Board of Directors exercises its responsibility over the financial statements included in this prospectus through the Corporation's Audit Committee.

Significant accounting policies

Refer to note 3 "Accounting Policies" to the Corporation's consolidated financial statements appearing elsewhere in this prospectus for the list of significant accounting policies of the Corporation.

Changes to accounting policies

The Corporation did not make any accounting changes during the 2005 fiscal year, nor has it since the beginning of the 2006 fiscal year.

Critical accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes thereto. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future. Actual results may differ from these estimates.

Summary of operations

Ranaz is a company specialized in manufacturing and marketing protein and dietary supplements related to weight loss or obesity treatments. Its operations include the design, development, production and marketing of nutritional, protein and dietary supplements. All of the Corporation's products have common features, including: (i) flavours, tastes and formats tailored to market needs; (ii) quick and easy preparation; (iii) scientific design; and (iv) rigorous manufacturing standards. Products are marketed under private brands, as well as under its own corporate brands. To date, the Corporation has based its products on two main business concepts: *Protidiet* and *Protilife*.

The Protidiet line is intended for physicians treating obesity and comes in ready-to-eat formats consisting of bars, powders, soups, cookies, concentrates, muffins and other high-protein meals and snacks. The principal markets for Protidiet are North American weight loss clinics and European pharmacies and parapharmacies. The Corporation's second concept, the Protilife line, will be sold in pharmacies across North America and Western Europe and will be based on a protocol offering quick weight loss and healthy weight maintenance. This brand relies on the Corporation's experience since it is intended for mass marketing while maintaining a scientific image.

The Corporation's markets mainly through Pro-Amino, its wholly owned subsidiary, which holds the various trademarks and is responsible for manufacturing all of the Corporation's products. Pro-Amino is responsible for product distribution worldwide, with the exception of France and Belgium. In these two countries, product distribution is carried out by the wholly owned Irish subsidiary, Distridiet.

The Corporation's operating earnings is obtained through sales of its products, net of cost of sales and operating expenses.

Cost of sales includes all expenses incurred in the manufacturing of products for sale, such as operating manufacturing equipment (including the cost of personnel and other related costs) and the cost of raw materials used to develop finished products, as well as the costs of shipping the finished products to the customers, markets and intermediaries covered by the marketing strategy.

Operating expenses include: (i) *Research expenses*, consisting mainly of expenses related to the product development work and all the testing to control quality, nutritional content and microbiology and to carry out sensory analyses; (ii) *Selling and administrative expenses*, which include the costs related to the sales and marketing teams and efforts, as well as administrative functions and support; and (iii) *Amortization expense*, which includes capital assets, trademarks and "customer list".

Overview

Sales amounted to \$5.4 million for the six-month period ended June 30, 2006, up \$1.1 million, or 25.9%, compared with the amount for the same period the previous year. For fiscal years 2003 to 2005, sales totalled \$11.1 million, \$8.0 million and \$8.1 million, respectively. Gross profit rose from \$1.56 million for the six months ended June 30, 2005 to \$1.73 million for the same period of fiscal 2006, representing 36.7% and 32.3% of sales for each period, respectively (gross profit). For the three fiscal years ended December 31, 2003, 2004 and 2005, gross profit was \$4.2 million, \$2.4 million and \$2.7 million, respectively, which represents, similarly to the interim six-month periods of 2005 and 2006, gross profits of 37.4%, 30.3% and 33.1%.

EBITDA for the first six months of fiscal 2006 was \$119,000 compared with \$54,000 for the same period in 2005. Excluding exchange loss, adjusted EBITDA for the same interim periods of 2006 and 2005 would have been \$217,000 and \$340,000, respectively. For fiscal years 2003 to 2005, adjusted EBITDA (for exchange loss, stock-based compensation expense and non-controlling interest) amounted to \$281,000, -\$1,157,000 and \$205,000, respectively.

Comparison between the six-month periods ended June 30, 2006 and 2005

Highlights for the period

At the beginning of fiscal 2006, with an effective date of February 1, 2006, the Corporation acquired the customer list of Beautyfood S.A., thereby bringing the distribution operations for its products back in-house for the entire Benelux region (Belgium, the Netherlands and Luxembourg) for €250,000. This transaction is particularly important since in May 2006, the Corporation transferred the logistics operations it had in France with DGX Pharma to Eurodep, which offers the same line of services as DGX in addition to enhanced customer service in France and effective coverage of Belgium.

Sales and gross margin

Sales amounted to \$5.4 million for the six-month period ended June 30, 2006, up \$1.1 million, or 25.9%, from \$4.3 million for the same period the previous year. This improvement was mainly due to higher Protidiet product sales in North America. More specifically, the Corporation's increased sales for the interim period in 2006 compared with the same period in 2005 was partly due to the initial and growing deliveries of the Corporation's products to the Herbal Magic franchise network since the beginning of fiscal 2006. The agreement in question was entered into by the parties in October 2005.

The Corporation's improved sales for the first six months of 2006 were partially dampened, however, by softer European sales for the same period, compared with 2005. This slowdown was mainly due to delivery issues experienced by the logistics firm hired by the Corporation to distribute Protidiet in France and Belgium. On May 17, 2006, the Corporation entered into a logistics arrangement with a new partner, Eurodep, to resolve the situation. Finally, sales were adversely affected by the Canadian dollar's appreciation against U.S. dollar and the euro for sales made in these two currencies, respectively.

In management's opinion, sales in future periods will increase in most of its geographic segments. For its Protidiet product, the Corporation intends to continue developing new customer bases in North America by the introduction of new products and enhancing its service level. In the shorter term, the Corporation expects to continue developing Protidiet, particularly by introducing two new liquid juice concentrates, a new multilayer bar and a cereal in the last quarter of 2006. These products will be unveiled at a specialized trade show held in the U.S. by American Society of Bariatric Physicians (ASBP). In addition, the Corporation plans to introduce additional Protidiet products in Europe in early 2007. Finally, the Corporation is preparing to launch its new Web site www.protidiet.com, which it believes will enable European consumers to buy Protidiet brand products directly, while accessing a host of related information.

The management of Ranaz also intends to ramp up sales in future periods by launching its new Protilife brand product line. The Protilife line will be sold in pharmacies across North America and Western Europe and will be based on a protocol offering quick weight loss and healthy weight maintenance.

With regard to the longer term, the Corporation is currently studying a project to manufacture nutrition bars. To date, the Corporation has purchased and resold such nutrition bars from a subcontractor under the Protidiet and private brands with volumes totalling up to approximately 7,500,000 bars per year.

Gross profit amounted to \$1.73 million for the six months ended 2006, up from \$1.56 million for the corresponding period ended June 30, 2005, representing 32.3% and 36.7% of sales for each period, respectively (gross margin). This decrease in gross margin was mainly due to the following: (i) the Canadian dollar's appreciation against the U.S. dollar and the euro, as explained above; and (ii) the impact of the fuel surcharge on transportation costs related to raw material procurement and product shipments to our customer base. The Corporation continues to minimize this impact through enhanced productivity and price adjustments, where appropriate.

Operating and other expenses

Research expenses were relatively unchanged at \$110,000 for the six months ended June 30, 2006, compared with \$129,000 for the corresponding period the previous year. Management expects current research expenses to increase in the short to medium term due to the nutrition bar project.

Selling and administrative expenses totalled \$1.4 million for the six-month period ended June 30, 2006, up \$310,500, or 28.4%, from \$1.1 million for the same interim period in 2005, representing 26.2% and 25.7% of sales for the two periods, respectively. This increase was mainly attributable to new management hires in keeping with future growth goals and the additional responsibilities arising from the Corporation's IPO preparation. This increase was also caused by higher sales commissions, which rise proportionately with sales. Management expects current selling and administrative expenses to rise in the short to medium term as a result of initiatives involving the Corporation's second concept, Protilife.

Amortization expense amounted to \$113,300 for the six-month period ended June 30, 2006, up \$17,300 from \$96,000 for the same interim period in 2005. This increase was primarily due to the amortization of intangible assets in respect of a customer list, which was recorded upon the acquisition of the distribution operations of Beautyfood S.A. with an effective transaction date of February 1, 2006. This additional amortization was partially offset, however, by a decline in amortization of property, plant and equipment between the compared periods. Management expects current amortization expenses to increase as of the launch of its nutrition bar line and a new plant commissioning in 2007.

Financial expenses stood at \$48,300 for the six-month period ended June 30, 2006, down \$14,900 from \$63,200 for the six-month period ended June 30, 2005. In greater detail, *interest on long-term debt* rose \$6,000 and *interest and bank charges* fell \$20,900 over the comparable periods.

Exchange loss amounted to \$97,500 for the six-month period ended June 30, 2006 compared with \$286,300 for the corresponding period in 2005. This improvement resulted mainly from a slow down in the Canadian dollar's appreciation against foreign currencies for the first six months of 2006 compared with the corresponding period in 2005.

Net loss for the six-month period ended June 30, 2006 was \$83,000 compared with \$133,200 for the corresponding period in 2005.

Comparison between the years ended December 31, 2005 and 2004

Highlights for the period

In 2005, the Corporation entered into a logistics agreement in France with DGX to deploy Ranaz products in Europe. Under the terms of the agreement, the Corporation would retain all rights as distributor of its own Protidiet brand. In short, DGX was mandated to see only to storage, invoicing and collection in respect of sales of the Corporation's products in Europe. As mentioned above, this agreement terminated at the end of May 2006 and the operations of DGX were transferred to Eurodep on June 1, 2006.

Sales and gross margin

Sales totalled \$8.1 million for the year ended December 31, 2005, up \$148,000, or 1.9%, from \$8 million for the previous year. This improvement resulted primarily from higher sales for Protidiet products in Europe and, to a lesser extent, in North America. However, improved sales were dampened by the adverse effect of the Canadian dollar's sharp rise against the U.S. dollar and the euro on sales made in these two currencies. The U.S. dollar and the euro had an average exchange rate of C\$1.30 and C\$1.62 for fiscal 2004 compared with C\$1.21 and C\$1.51, respectively, for fiscal 2005.

Gross profit stood at \$2.7 million in 2005, up from \$2.4 million in 2004, accounting for 33.1% and 30.3% of sales for each period, respectively. This increase was mainly attributable to the following: (i) higher productivity generated by more efficient manufacturing processes resulting from the Value Added Production (VAP) program implemented by the Corporation across its manufacturing operations in 2002; (ii) lower costs of certain U.S. dollar-denominated raw materials, thereby partly offsetting the adverse effect of the Canadian dollar's appreciation against the U.S. dollar and the euro; and (iii) the constant refocusing of the product portfolio on higher profitability products.

Operating and other expenses

Research expenses amounted to \$179,200 for 2005, down \$177,100, or 49.7%, from \$356,300 for the previous year. This decrease was mainly due to the Corporation's initiatives to focus on its flagship brands, adopt more rigorous discipline in the initial design stages of product development and its decision to put development of nutrition bars on hold.

Selling and administrative expenses totalled \$2.3 million for the 12-month period ended December 31, 2005, down 28.4%, or \$0.9 million, from \$3.2 million for the previous year, representing 28.4% and 40.3% of sales for the two periods, respectively. This decrease resulted primarily from the following: (i) lower selling expenses related to the operations of the Corporation's Distridiet subsidiary due to smaller sales commissions; (ii) downsizing of administrative and sales staff at Pro-Amino International; and (iii) reduced compensation for management in connection with a corporate cost rationalization program.

Amortization expense amounted to \$193,700, down \$44,000 for the year ended December 31, 2005, compared with \$237,700 for the previous year. This decline was largely due to the fact that the Corporation's additions to property, plant and equipment totalled only \$19,600 in 2005 and that several units of property, plant and equipment no longer had any amortizable balance in 2005. As at December 31, 2005, the net book value of the Corporation's property, plant and equipment amounted to \$594,400, compared with a net book value of \$762,500 as at December 31, 2004.

Financial expenses stood at \$139,700 for the 12 months ended December 31, 2005, up \$23,500 from \$116,200 for the previous year. In greater detail, *interest on long-term debt* fell \$25,200 and *interest and bank charges* rose \$48,700 for the compared periods, particularly as result of significantly greater use of a bank credit facility.

Exchange loss amounted to \$168,000 for 2005 compared with \$29,500 for the previous year. This loss was primarily attributable to the impact of the Canadian dollar's appreciation on euro-denominated working capital items.

Stock-based compensation expenses totalled \$1,064,000 for the year ended December 31, 2005. During the year, the Corporation granted options to one of its executives, enabling him to acquire 2,939,840 Class A common shares of the Corporation for a cash consideration of \$1. All of these options, which vested at grant, were exercised during fiscal 2005. The compensation cost is valued at the grant date using the lower of cost or market method and is recognized over the related service period.

Net loss for the year ended December 31, 2005 stood at \$1,388,000, down from \$1,485,800 for the previous year.

Comparison between the years ended December 31, 2004 and 2003

Sales and gross margin

Sales totalled \$8 million for the year ended December 31, 2004, down \$3.1 million, or 28.3%, from \$11.1 million in fiscal 2003. This significant drop in sales between the periods was mainly due to sharply lower sales of Protidiet products in France. Late in the second quarter of fiscal 2003, the French distributor of the Protidiet brand breached its distribution agreement with the Corporation by launching and selling a competing brand to Protidiet in the French marketplace. The Corporation pleaded its case before various French courts, obtaining a favourable judgment each time. In 2006, after the parent company of the Corporation's former French distributor commenced judicial liquidation proceedings, the equivalent of bankruptcy protection in Canada, the Corporation agreed to end legal proceedings on both sides in the matter. The effect of fluctuations in exchange rates was mitigated during the periods by the fact that the Canadian dollar appreciated against the U.S. dollar but depreciated against the euro. The U.S. dollar and the euro had an average exchange rate of C\$1.40 and C\$1.58 in fiscal 2003 compared with C\$1.30 and C\$1.62, respectively, in fiscal 2004.

Gross profit amounted to \$2.4 million in fiscal 2004, down \$1.7 million, or 41.9%, from \$4.2 million in fiscal 2003, which represented 30.3% and 37.4% of sales for each period, respectively. This decline was mainly attributable to a drop in the relative share of sales generated by the Protidiet product line in France (as explained above), which includes higher profitability products.

Operating and other expenses

Research expenses reached \$356,300 in fiscal 2004, up \$52,100, or 17.1%, from \$304,200 in fiscal 2003. These expenses were mainly incurred to ensure compliance with new European legislation governing GMOs and the development of nutrition bar formulations.

Selling and administrative expenses totalled \$3.2 million for the 12-month period ended December 31, 2004, down \$361,700, or 10.1%, from \$3.6 million for the previous year, representing 40.3% and 32.1% of sales for the two periods, respectively. This decrease was mainly due to lower selling expenses related to the operations of the Corporation's Distridiet subsidiary in step with the entity's lower sales resulting from a dispute with the distributor of the Protidiet brand in France, as explained above.

Amortization expense was \$237,700, up \$75,000 for the year ended December 31, 2004 from \$162,700 in the previous year. This increase was primarily due to additions to property, plant and equipment, mainly production equipment, for an aggregate amount of \$476,000 in fiscal 2003, of which a significant portion was made during the third quarter of 2003. In addition, in early 2004, the Corporation acquired property, plant and equipment as part of its equipment modernization program totalling \$195,000, which increased the amortizable balance of property, plant and equipment in fiscal 2004.

Financial expenses stood at \$116,200, up \$24,800 for the 12 months ended December 31, 2004 from \$91,400 in the previous year. In greater detail, *interest on long-term debt* rose \$33,500 and *interest and bank charges* fell \$8,700 for the same period in 2004, particularly as a result of an increase in long-term debt in the second half of fiscal 2003 and the first half of fiscal 2004.

Exchange loss amounted to \$29,500 for 2004 compared with \$46,300 for the previous year. This loss was mainly attributable to the impact of the Canadian dollar's appreciation on U.S. dollar-denominated working capital items.

Net loss for the year ended December 31, 2004 totalled \$1,485,800 compared with a net loss of \$66,200 for the previous year.

Liquidity and capital resources

Since inception, the Corporation has financed its business with cash flows from operating activities, loans and proceeds from equity issues. On April 26, 2006, the Corporation issued 2,857,143 Class A common shares and 1,428,571 warrants in consideration of \$1.0 million in cash. The warrants entitle their holders to acquire 1,428,571 Class A shares at a price of \$0.35 per unit and must be exercised by April 26, 2008 at the latest.

During fiscal 2005, the Corporation issued 15,501,780 Class A common shares to an executive for a total price of \$1.00. Subsequently, the Corporation converted the amount of \$703,701 owed to shareholders into 1,558,370 Class A common shares. Then, following the exercise of options by the above executive, the Corporation issued 2,939,840 Class A common shares for a total subscription price of \$1.00.

In addition, at the beginning of fiscal 2005, the Corporation obtained a demand loan of \$200,000 to meet its working capital requirements. During 2003, the Corporation increased its term loans by an aggregate amount of \$280,283, mainly to acquire production equipment in order to cut the costs of powder products and reduce product packaging time.

Cash flows from operating activities

Cash flows from *operating activities* (before changes in working capital items) for the six-month period ended June 30, 2006 totalled \$61,900, compared with an outflow of \$9,400 during the interim period for fiscal 2005.

For the interim periods of 2006 and 2005, cash outflows of \$349,100 and \$535,900, respectively, were attributed to changes in working capital items. For the six-month period ended June 30, 2006, the cash outflow of \$349,100 related to changes in working capital items is mainly attributable to higher inventories during the period, although partially offset by an increase in accounts payable during the same period.

Cash flows from operating activities (before changes in working capital items) for fiscal 2005 and 2004 represented cash outflows of \$153,000 and \$1,215,100, respectively, whereas fiscal 2003 generated cash inflows of \$264,100.

For fiscal 2005, the cash outflow of \$136,100 was attributed to changes in working capital items whereas in fiscal 2004 and 2003, changes in working capital items generated cash inflows of \$898,900 and \$203,400, respectively. For fiscal 2005, the use of working capital resulted mainly from a significant decrease in accounts payable and accrued liabilities, partly offset by a reduction in inventories. By changing certain raw material suppliers based on the VAP program, the Corporation was able to reduce inventories. For fiscal 2004, the main source of working capital was a reduction in accounts receivable following the sharp drop in sales revenues from Protidiet products in France, as well as a significant increase in accounts payable and accrued liabilities, which were however partly offset by higher inventories during the period. In fiscal 2003, lower working capital requirements were mainly the result of shorter accounts receivable collection periods.

Investing activities

The Corporation's *investing activities* consist mainly in acquiring fixed assets for manufacturing the marketed products and making advances to subsidiaries, mainly to complete the acquisition of customer lists on a timely basis.

During the six-month period ended June 30, 2006, the Corporation spent \$37,900 on sustaining capital expenditures and \$347,700 (€250,000) to acquire the list of customers of Protidiet products for the entire Benelux region (Belgium, Luxemburg and the Netherlands). A shareholder advance of \$29,200 was also made during the 2006 interim period.

During the 12-month period ended December 31, 2005, the Corporation earmarked \$19,600 for the purchase of fixed assets and \$42,000 for advances to a distributor of the Corporation's products in Belgium as part of its equipment modernization program according to the VAP philosophy. During the previous fiscal year, i.e. 2004, the Corporation used \$195,000 to purchase fixed assets, mainly manufacturing equipment, and \$167,400 for advances to its Belgian distributor. Finally, the main investment activity for fiscal 2003 was an amount of \$475,900 to acquire fixed assets, mainly manufacturing equipment, as part of the Corporation's modernization program according to the VAP philosophy.

Financing activities

During the six-month period ended June 30, 2006, the Corporation contracted an additional bank loan of \$25,000, repaid \$60,000 in loans and paid the balance of the purchase price of \$54,100 related to a transaction under which the Corporation had acquired a list of Protidiet customers. Finally, on April 26, 2006, the Corporation issued 2,857,143

Class A shares and 1,428,571 warrants in exchange for \$1.0 million in cash, for net proceeds of \$927,700 (net of share issuance costs).

During fiscal 2005, the Corporation repaid \$120,000 of its bank loans, contracted a demand loan of \$200,000, repaid \$95,700 in loans and received an amount of \$197,700 from its shareholders (owed to shareholders). Note that the demand loan with a balance of \$200,000 as at June 30, 2006 was fully repaid on August 9, 2006. During fiscal 2004, the Corporation took out an additional bank loan of \$300,000, contracted a demand loan of \$249,000, repaid \$46,900 in loans and received an amount of \$90,800 from its shareholders (owed to shareholders). Finally, during the 12-month period ended December 31, 2003, the Corporation repaid \$355,000 of its bank loans, contracted a term loan of \$280,300, repaid \$86,500 in loans and received an amount of \$415,229 from its shareholders (owed to shareholders).

Capital resources and balance sheet

Consolidated balance sheet data	June 30, 2006 (unaudited) \$	December 31, 2005 \$	December 31, 2004 \$
Cash	87,136	-	130,608
Short-term assets	2,843,776	2,228,893	2,777,174
Working capital	701,820	335,514	403,014
Total assets	4,030,689	2,965,135	3,686,189
Short-term liabilities	2,141,956	1,893,379	2,374,160
Long-term debt	312,685	362,432	977,532
Total liabilities	2,523,125	2,302,275	3,403,015
Total shareholders' equity	1,507,564	662,860	283,174

Management believes that the Corporation's liquidities, the net proceeds from the IPO, the amounts available under bank credit agreements and the anticipated cash flows from operations will be sufficient to meet the working capital needs, contractual obligations and capital expenditure requirements in the foreseeable future. The Corporation has at its disposal bank credit facilities amounting to approximately \$1.0 million, of which \$425,000 were used as at June 30, 2006.

Change in long-term balance sheet items

The increase of \$450,671, or 61.2%, in long-term assets between December 31, 2005 and June 30, 2006 resulted primarily from the following:

- the recognition of an intangible asset in respect of the acquisition as at February 1, 2006 of the customer list for the Corporation's Protidiet products for the entire Benelux region (Belgium, the Netherlands and Luxembourg) for €250,000 (\$347,700). As at June 30, 2006, the *customer list* intangible asset balance amounted to \$318,679. No comparable amount appeared in the balance sheet of the Corporation as at December 31, 2005;
- \$176,764 of the advances to a private company totalling \$221,308 made during fiscal 2005 has been reclassified in long-term assets during the six-month period ended June 30, 2006 to reflect the new deadlines. This classification of the short- and long-term portions of these advances resulted directly from the new cooperation agreement with the Belgian company following the acquisition as at February 1, 2006 of the customer list for the Corporation's Protidiet products, as discussed above;
- however, the contributing factors behind the increase were partially offset by a decline in property, plant and equipment over the period, which was mainly due to the amortization of manufacturing equipment and, to a lesser degree, to the amortization of computer equipment and leasehold improvements during the six-month period ended June 30, 2006. An insignificant amount was invested during the interim period for additions to property, plant and equipment. In the balance sheet, property, plant and equipment (at amortized cost) for the six-month period amounted to \$550,898 as at December 31, 2005 down \$43,495, or 7.3%.

During the same six-month period, the Corporation's long-term liabilities stood at \$381,169 as at June 30, 2006, down \$27,727, or 6.8%. This decrease resulted from the repayment of \$49,747 in long-term debt during the six months ended June 30, 2006, but was partially offset by an increase of \$22,020 in future income taxes of the Corporation during the same interim period.

Shareholders' equity amounted to \$1.5 million as at June 30, 2006, up \$844,704, or 127.4%. This growth was attributable to a \$927,664 increase in capital stock during the period, that is, the net proceeds from the offering of 2,857,143 Class A common shares and 1,428,571 warrants of the Corporation on April 26, 2006. This rise was partially offset by the \$82,960 net loss recorded during the six-month period ended June 30, 2006, which was charged to retained earnings (deficit) of the Corporation during the period.

The decline of \$172,773, or 19.0%, in long-term assets for fiscal 2005, or the 12-month period ended December 31, 2005, resulted mainly from the decrease in the balance of property, plant and equipment for the period. This decrease in the balance of property, plant and equipment was mainly due to the amortization of manufacturing equipment and, to a lesser degree, the amortization of computer equipment and leasehold improvements. Unlike the significant capital investments of fiscal 2003 and 2004, particularly in manufacturing equipment under the PVA program, additions to property, plant and equipment in 2005 were minimal, totalling \$19,649 for the 12-month period ended December 31, 2005. In the balance sheet, property, plant and equipment (at amortized cost) amounted to \$594,393 as at June 30, 2006, down \$168,083, or 22%.

During fiscal 2005, long-term liabilities of the Corporation totalled \$408,896 as at December 31, 2005, down \$619,959, or 60.3% from \$1.0 million at year-end 2004. The decrease was mainly attributable to a total of approximately \$506,017 due to shareholders (through conversions into Class A common shares) and long-term debt repayments totalling \$109,083 for the 12-month period ended December 31, 2005.

Shareholders' equity stood at \$662,860 as at December 31, 2005, up \$379,686, or 134.1%. This growth resulted from an increase of approximately \$1.8 million in capital stock, including the conversion of \$703,701 in amounts due to shareholders into 1,558,370 Class A common shares and the issuance of 2,939,840 Class A common shares subsequent to the exercise of options by an executive of the Corporation for which a contributed surplus of \$1,064,000 related to these options was transferred to capital stock. These items were significantly offset by the net loss of \$1,388,015 (particularly due to the recognition of a stock-based compensation expense of \$1,064,000 during the period related to the exercise of options) recorded during the 12-month period ended December 31, 2005, which was recognized in retained earnings (deficit) of the Corporation during that same period.

Capital stock information

	Authorized	Issued as at June 30, 2006	Issued as at October 24, 2006
Class A common shares	Unlimited	22,857,143	22,857,143
Class B and C common shares	Unlimited	Nil	Nil
Class A, B, C, D, E, F, G and H preferred shares	Unlimited	Nil	Nil

Contractual obligations and commitments

The Corporation's contractual obligations and commitments consist of commitments to repay certain loans as well as to pay amounts under operating lease agreements and obligations under capital leases. As at December 31, 2005, the Corporation has entered into long-term lease agreements until 2010, which call for lease payments of \$123,590 for the rental of a building and \$21,833 for the rental of automotive and office equipment. The minimum lease payments for the next five years of the Corporation under these agreements and the terms of its loans are set forth below:

Fiscal year	Loans \$	Obligations under capital leases \$	Operating lease agreements \$
2006	133,940	4,679	138,205
2007	110,854	1,560	5,608
2008	110,854	-	743
2009	110,854	-	743
2010	28,621	-	124
Total	495,123	6,239	145,423

Dividends

The Corporation currently intends to reinvest future earnings to finance its growth. Therefore, it does not intend to pay dividends in the foreseeable future. Any subsequent decision to pay dividends is left to the discretion of the Board of Directors and will depend on the financial position, operating results, capital requirements and other factors deemed relevant by the Board of Directors.

Future outlook

Management expects that the Corporation's sales will continue to grow, thanks to additional products sold to existing customers, the addition of new customers, sales of new and complementary products and services and the implementation of overall growth strategies. Certain cost components, including the cost of sales and selling and administrative expenses should also increase due to higher product sales. Amortization expense is also expected to increase significantly if the Corporation proceeds with its plans to build a new plant. See "Description of the Business – Stated Business Objectives" in this prospectus for further details.

Financial instruments

See note 19 "Fair value of financial instruments" to the consolidated financial statements of the Corporation, which are included elsewhere in this prospectus, for the details relating to the methods and assumptions used to determine the estimated fair value of each class of financial instruments of the Corporation.

Risks

See "Risk Factors" in this prospectus for a description of the risks related to the Corporation's business that could also have an impact on its financial position, cash flows and operating results.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering covers the sale of Units to the public.

UNITS

Each Unit consists of one Common Share and one half of one Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.60 per Common Share for a period of 24 months following the closing date. The Units will be separated immediately following the closing date. No certificate representing a fractional Warrant will be issued and holders of Units will not be entitled to any consideration in lieu thereof.

COMMON SHARES

Each Common Share entitles the holder to one vote in all shareholder meetings of the Corporation. The holders of Common Shares are entitled to dividends that are set and declared by the Board of Directors. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the Common Shareholders are entitled to the remaining property of the Corporation.

WARRANTS

The Warrants will be issued by the Corporation pursuant to an indenture (the "**Warrant Indenture**") to be dated as of the date of the closing between Ranaz and Computershare Trust Company of Canada, as warrant trustee (the "**Warrant Trustee**"). Each Warrant will entitle the holder thereof to purchase one Common Share of Ranaz at a price of \$0.60 per Common Share for a period of 24 months following the closing date. The Warrants will be exercisable at any time after their issue and up to 5:00 p.m. (Montréal time) on the date that is 24 months following the earlier of the closing date or, if such expiry date is not a business day, the business day preceding such expiry date. The Warrants will be issued in registered form.

Pursuant to the Warrant Indenture, Ranaz shall purchase, from time to time, in the market, by private contract or otherwise, all or any of the Warrants and any Warrants so purchased will be cancelled.

The Warrant Indenture will contain anti-dilution provisions providing for, among other things, adjustment of the number of Common Shares issuable upon exercise of the Warrants upon the occurrence of certain events. No adjustment in the number of Common Shares purchasable upon exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the number of Common Shares purchasable upon the exercise of a Warrant by at least one one-hundredth of a Common Share.

No fractional Common Shares will be issuable upon the exercise of Warrants. Ranaz will not pay any amount in cash in lieu of issuing fractional Common Shares. Holders of Warrants will not have any rights as shareholders of the Corporation.

The rights of the holders of the Warrants may be modified. For that purpose, among others, the Warrant Indenture will contain certain provisions which will make binding on all holders of Warrants resolutions passed at meetings of the holders of Warrants by votes cast thereat by holders of not less than 66.67% of the Warrants represented and voted at the meeting, or rendered by instruments in writing signed by the holders of not less than 66.67% of the Warrants then outstanding. Notwithstanding the foregoing, Ranaz and the Warrant Trustee will be entitled, without the consent of the holders of Warrants, to amend or supplement the Warrant Indenture or the Warrants for certain limited purposes, including curing ambiguities, defects or inconsistencies and making modifications that, in the opinion of the Warrant Trustee, would not be prejudicial to the interests of holders of Warrants.

The Corporation has designated the Warrant Trustee at its principal offices in Montréal as the warrant agency, where the Warrants may be surrendered for exercise, exchanged or replaced. The Corporation may designate other warrant agencies.

The foregoing description is a summary of the material provisions of the Warrants and is subject to the detailed provisions of the Warrant Indenture. Holders of Warrants may obtain a copy of the Warrant Indenture upon request to the Corporation.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's consolidated capitalization as at December 31, 2005 and June 30, 2006. This table should be read in conjunction with the Corporation's consolidated financial statements, including the accompanying notes, which are included elsewhere in this prospectus.

	Authorized capital	2005 (audited)	June 30, 2006 (unaudited)
Capital stock — common shares	Unlimited number of shares with no par value	\$1,767,801 20,000,000 common shares	\$2,695,465 22,857,143 common shares
Long-term debt	n/a	\$362,432	\$312,685
Total capitalization	n/a	\$2,130,233	\$3,008,150

DESCRIPTION OF CAPITAL STOCK

COMMON SHARES

The Corporation's capital stock is made up of an unlimited number of common shares with no par value and an unlimited number of Class A preferred shares. Each common share shall entitle the holder thereof to one vote in all shareholder meetings of the Corporation. The common shareholders shall be entitled to dividends that are set and declared by the Board of Directors. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the common shareholders shall be entitled to the remaining property of the Corporation.

Following the completion of the Offering, there will be 16,666,665 outstanding Common Shares if the minimum offering is subscribed and 29,523,810 outstanding Common Shares if the maximum offering is subscribed (21,678,571 diluted Common Shares if the minimum offering is subscribed and 37,738,096 diluted Common Shares if the maximum offering is subscribed, not taking into account the conversion of Class A preferred shares, where applicable). Currently, 13,333,332 common shares are outstanding. See “Principal Shareholders”.

CLASS A PREFERRED SHARES

The Class A preferred shares have the same features as the Common Shares (dividends and the remaining property in the event of the liquidation, dissolution or winding up of the Corporation will be payable to holders of Class A preferred shares *pari passu* with the holders of Common Shares), except that they do not carry any voting rights and will be convertible into Common Shares (i) to the extent that at least 20% of the outstanding Common Shares, once the conversion is complete, are held by “public shareholders” as defined in the policies of the TSX Venture Exchange; and (ii) at the time of a purchase, repurchase or exchange offer involving over 50% of the outstanding Common Shares.

On completion of the Offering, there will be 9,523,811 outstanding Class A preferred shares if the minimum offering is subscribed and nil outstanding Class A preferred shares if the maximum offering is subscribed.

STOCK OPTIONS

WARRANTS

On April 26, 2006, the Corporation issued to FIER Ville-Marie, LP warrants that entitle it to acquire up to 1,428,571 Common Shares at a price of \$0.35 per Common Share at any time up to April 26, 2008. These warrants were issued as part of the Corporation’s issue of 2,857,143 common shares to FIER Ville-Marie, LP at the price of \$0.35 per common share for a total consideration of \$1,000,000.

STOCK OPTION PLAN

In accordance with the policies of the TSX Venture Exchange, the Corporation has adopted a stock option plan (the “**Plan**”) to be implemented on the closing date of the Offering. The Corporation’s Board of Directors has approved the Plan, subject to the acceptance of the Plan by the TSX Venture Exchange.

DESCRIPTION OF THE PLAN

The Plan will govern the granting of incentive stock options (“**Options**”) to directors, officers, employees and eligible consultants of the Corporation and its subsidiaries (“**Eligible Participants**”). The purpose of granting Options is to provide an incentive to directors, employees, consulting companies and other persons who supply services on a regular basis to the Corporation and its subsidiaries. The aggregate number of Common Shares (the “**Option Shares**”) that will be reserved for issuance pursuant to the exercise of Options granted under the Plan will be equal to 1,666,667 if the minimum offering is subscribed and 2,952,381 if the maximum offering is subscribed, i.e. approximately 10% of the number of Common Shares outstanding on the closing date of the Offering. Following completion of the Offering, the exact number of Option Shares reserved for issuance under the Plan will be confirmed by the Board of Directors of the Corporation.

Eligible Participants will be eligible for a grant of Options. No single person may be granted Options exercisable for more than 5% of the Common Shares issued and outstanding in any 12-month period and no single consultant may be granted Options exercisable for more than 2% of the Common Shares outstanding in any 12-month period. All Options will be non-assignable and non-transferable.

Options under the Plan will be granted for a period not exceeding 5 years from the date of their grant. All Options granted under the Plan must have a per share exercise price not less than the market price of the Common Shares on the date an Option is granted, where “market price” is determined as the closing trading price per Common Share on the trading day immediately preceding the date of the grant, and may be less than this price if it is within the discounts allowed under the policies of the TSX Venture Exchange. Options granted under the Plan will also be subject to a vesting schedule approved by the Board of Directors of the Corporation. If the exercise price of a granted Option is lower than the closing trading price per Common Share on the trading day immediately preceding the date of the grant, the Common Shares issued when the option is exercised will be subject to a holding period of four months effective the date of the grant and the certificates representing these Common Shares must carry a reference to that effect.

Upon an optionee ceasing to hold his or her position with the Corporation, other than by reason of termination for cause, death or disability, the optionee's Options will terminate within 90 days, or within 30 days if the optionee is engaged in investor relation activities on behalf of the Corporation. If the optionee is terminated for cause, the optionee's Options will terminate effective the date of the notice of termination. Options (vested or unvested) will be exercisable by an optionee's legal heirs, personal representatives or guardians for up to one year following the death or termination of an optionee due to disability, or up to one year following the death of an optionee if the optionee dies within one year of termination due to disability. All such Options will continue to vest in accordance with their original vesting schedule until their termination.

In the event the Corporation declares a stock dividend or makes a distribution of Common Shares to the Common Shareholders, splits or consolidates the outstanding Common Shares into a larger or smaller number of Common Shares, issues warrants to all or substantially all of the holders of the Common Shares for acquiring additional Common Shares at a price lower than the closing trading price of the Common Shares on the record date of this issue or carries out any transaction following which the Common Shares are converted or made exchangeable for any other security, the number of outstanding Option Shares, as well as their exercise price or one of the two will be adjusted in order to prevent a dilution or a substantial increase of the rights granted under the Plan.

The Corporation has undertaken to issue the following Options under the Plan on the closing date of the Offering:

Holder	Number of Options	Grant Date	Exercise Price	Expiry Date
Jean Bourassa-Marineau	269,942	Closing date of the Offering	\$0.35 ⁽¹⁾	5 years after the closing date of the Offering
Martin Vidal	134,971	Closing date of the Offering	\$0.35 ⁽¹⁾	5 years after the closing date of the Offering
Alain Baribeau	134,971	Closing date of the Offering	\$0.35 ⁽¹⁾	5 years after the closing date of the Offering
Bernard Prévot	35,000	Closing date of the Offering	\$0.35 ⁽¹⁾	5 years after the closing date of the Offering
Louis Proulx	15,000	Closing date of the Offering	\$0.60 ⁽³⁾	5 years after the closing date of the Offering
Valier Boivin	15,000	Closing date of the Offering	\$0.60 ⁽³⁾	5 years after the closing date of the Offering
Pietro Perrino	15,000	Closing date of the Offering	\$0.60 ⁽³⁾	5 years after the closing date of the Offering

Note:

- (1) The Common Shares underlying these Options shall be escrowed in accordance with the applicable securities regulations. See "Escrowed Securities".
- (2) The Common Shares underlying these Options will be subject to a four-month holding period under the policies of the TSX Venture Exchange.
- (3) See "Compensation of Directors".

PRIOR SALES

During the past 12 months, the Corporation has issued common shares to the following shareholders:

Shareholder	Date	Number of Shares	Issue Price per Share	Total Issue Price
Jean Bourassa-Marineau	December 31, 2005	1,498,210	\$0.45	\$676,533
Martin Vidal	December 31, 2005	60,160	\$0.45	\$27,166
FIER Ville-Marie, LP	April 26, 2006	2,857,143	\$0.35	\$1,000,000
Total	-	4,415,513	-	\$1,703,699

ESCROWED SECURITIES

All common shares issued prior to the Offering at a price lower than the issue price of the Common Shares under this prospectus and all the Common Shares that can be acquired by persons dealing on a non-arm's length basis with the Corporation under the Offering will be deposited with Computershare Investor Services Inc. pursuant to a securities escrow agreement to be entered into on the closing date of the Offering between the Corporation, Fiducie Vanquish, Martin Vidal, FIER Ville-Marie, LP and Computershare Trust Company of Canada (the "**Escrow Agreement**").

All Common Shares acquired following exercise of the stock options whose exercise price is lower than the offering price of the Common Shares issued under the Offering must also be escrowed under the same terms and conditions. See "Stock Options".

The following table shows, as at the date hereof, the number of Common Shares of the Corporation that will be escrowed on the closing date of the Offering.

Name and Municipality of Residence of the Shareholder	Shares ⁽¹⁾	Number of Shares Held in Escrow	Percentage of Shares Prior to Giving Effect to the Offering	Percentage of Shares After Giving Effect to the Minimum Offering ⁽²⁾	Percentage of Shares After Giving Effect to the Maximum Offering ⁽²⁾
Fiducie Vanquish ⁽³⁾	Common	9,916,189	74.38%	59.50%	57.58%
	Preferred	7,083,811	74.38%	74.38%	Nil
Martin Vidal	Common	1,750,476	13.12%	10.50%	10.16%
	Preferred	1,249,524	13.12%	13.12%	Nil
FIER Ville-Marie, LP	Common	1,666,667	12.50%	10.00%	9.68%
	Preferred	1,190,476	12.50%	12.50%	Nil

Note:

- (1) The Common Shares underlying the Options that will be issued to Jean Bourassa-Marineau, Martin Vidal and Alain Baribeau, as well as the Common Shares underlying the Warrants held by FIER Ville-Marie, LP will be escrowed under the same conditions. See "Stock Options".
- (2) Without taking into account the exercise of Warrants and other convertible securities.
- (3) The sole beneficiary of Fiducie Vanquish is Jean Bourassa-Marineau.

Under the terms of the Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow upon issuance of the Bulletin of the TSX Venture Exchange listing the Common Shares on the Exchange ("**Initial Release**"), and an additional 15% of the Common Shares will be released every six months thereafter, i.e. on the 6th, 12th, 18th, 24th, 30th, and 36th month following the Initial Release.

PRINCIPAL SHAREHOLDERS

The following table lists the names of the persons or companies that, as of the date of this prospectus, were the registered owners or that, to the Corporation's knowledge, were the beneficial owners, directly or indirectly, of more than 10% of the Common Shares of the Corporation, as well as the information concerning such of the Corporation's securities as belong to these persons or companies.

Name	Number and Percentage of Common Shares Held	Type of Owner	Number and Percentage Held After the Minimum Offering	Number and Percentage Held After the Maximum Offering
Fiducie Vanquish ⁽¹⁾⁽²⁾	9,916,189 / 74.38%	Beneficial owner	9,916,189 / 59.50%	17,000,000 / 57.58%
Martin Vidal ⁽³⁾	1,750,476 / 13.12%	Beneficial owner	1,750,476 / 10.50%	3,000,000 / 10.16%

Name	Number and Percentage of Common Shares Held	Type of Owner	Number and Percentage Held After the Minimum Offering	Number and Percentage Held After the Maximum Offering
FIER Ville-Marie, LP ⁽⁴⁾	1,666,667 / 12.50%	Beneficial owner	1,666,667 / 10.00%	2,857,143 / 9.68%

Note:

- (1) Jean Bourassa-Marineau is the sole beneficiary of Fiducie Vanquish.
- (2) Fiducie Vanquish also holds 7,083,811 Class A preferred shares. See “Description of Capital Stock”.
- (3) Martin Vidal also holds 1,249,524 Class A preferred shares. See “Description of Capital Stock”.
- (4) FIER Ville-Marie, LP also holds 1,190,476 Class A preferred shares. See “Description of Capital Stock”.

SENIOR MANAGEMENT AND KEY EMPLOYEES

The following table gives the names and places of residence of each member of senior management and of key employees of the Corporation as well as their positions within the Corporation as at the date of this Prospectus.

Name and Municipality of Residence	Position	Number and Percentage Held
Jean Bourassa-Marineau ⁽¹⁾⁽²⁾ Blainville, Québec	President and Founder	9,916,189 / 74.38%
Martin Vidal ⁽³⁾ Blainville, Québec	Executive Vice-president	1,750,476 / 13.12%
Alain Baribeau Blainville, Québec	Director of Operations and Chief Financial Officer	Nil

Note:

- (1) Held indirectly via Fiducie Vanquish.
- (2) Jean Bourassa-Marineau also holds, via Fiducie Vanquish, 7,083,811 Class A preferred shares. See “Description of Capital Stock”.
- (3) Martin Vidal also holds 1,249,524 Class A preferred shares. See “Description of Capital Stock”.

The Corporation’s management team is made up of three persons: Jean Bourassa-Marineau, Founder and President, responsible for general management and research and development supervision, embodies the Corporation’s vision, Martin Vidal, Executive Vice-President, responsible for strategic planning and business development and Alain Baribeau, Vice-President, Operations, and Chief Financial Officer.

The text that follows provides a biographical note on each member of senior management.

Jean Bourassa-Marineau

President and Founder Jean Bourassa-Marineau, 40 years of age, manages the Corporation and implements its vision. Working for over fifteen years in the Corporation’s industry sector has enabled him to develop both management expertise and drive. He is supported by:

Martin Vidal

Executive Vice-president and Director, with a degree in economics, Martin Vidal, 43 years of age, co-founded Groupe Informatique DTM (the company later known as Nexxlink Technologies Inc.), one of Canada’s largest IT solutions integrators. He participated in Groupe Informatique DTM inc.’s first public offering in 1993 and negotiated several strategic acquisitions before leaving the company in 1998 when it posted revenues of \$70 million and employed over 200 people. Martin Vidal decided to join the Corporation due to its growing international potential and the dynamic vision of Jean Bourassa-Marineau. His experience in management and finance, along with his businesslike approach are impressive resources for Ranaz. He has worked with Ranaz since August 2001.

Alain Baribeau

Director of Operations, and Chief Financial Officer, Alain Baribeau, 44 years of age, holds a CMA diploma and has over twenty years' experience in managing strong growth companies. Of note, Alain spent more than thirteen (up to May 2004) years in Nexxlink Technologies Inc.'s senior management (now Bell Business Solutions), where he was Vice-president, Operations and Client Service. Before joining the Corporation, he was a partner in ERA Canada, which specializes in the strategic analysis of operating and administrative expenses, nationally and on the world scene.

Jean Bourassa-Marineau, Martin Vidal and Alain Baribeau are all full-time employees of the Corporation and are bound under their respective employment agreements by the customary non-competition and confidentiality clauses.

DIRECTORS

The following table lists the name, place of residence and principal function of each director for the last five years, the years in which each became a member of the Board of Directors and the number of the Corporation's Common Shares of which each is the beneficial owner, directly or indirectly, or over which each has control or influence. The directors of the Corporation are in office until the next annual meeting.

Name and Municipality of Residence	Position Held Within the Corporation	Principal Function	Director Since	Number and Percentage of Common Shares Held
Jean Bourassa-Marineau Blainville, Québec	President, Secretary and Director	President Ranaz Corporation	October 17, 1991	9,916,189 ⁽¹⁾⁽²⁾ / 74.38%
Martin Vidal ⁽⁴⁾ Blainville, Québec	Executive Vice-president and Director	Executive Vice-president Ranaz Corporation	April 26, 2006	1,750,476 ⁽³⁾ / 13.12%
Valier Boivin ⁽⁴⁾⁽⁵⁾ Mont-Royal, Québec	Director	Attorney Boivin Carrier, GP	April 26, 2006	Nil
Pietro Perrino Laval, Québec	Director	President Pergui Groupe Conseil Inc.	October 24, 2006	Nil
Louis Proulx ⁽⁴⁾ Laval, Québec	Director	President G. Proulx & Associés Assurances inc.	October 24, 2006	Nil

Notes:

- (1) These Common Shares are held by Fiducie Vanquish, of which the sole beneficiary is Jean Bourassa-Marineau.
- (2) Jean Bourassa-Marineau also holds, via Fiducie Vanquish, 7,083,811 Class A preferred shares. See "Description of Capital Stock".
- (3) Martin Vidal also holds 1,249,524 Class A preferred shares. See "Description of Capital Stock".
- (4) Member of the Audit Committee.
- (5) Valier Boivin is also a director of ZoomMed inc., a company listed on the TSX Venture Exchange specializing in the electronic transmission of prescriptions, of E-Claim Solutions Inc., a Capital pool company also listed on the TSX Venture Exchange, and of Kangaroo Media inc., a provider of audiovisual solutions for sports events listed on the Toronto Stock Exchange. He has also been President of VMCAP inc., the limited partner of FIER Ville-Marie, LP, since December 2005.

The following are biographical notes on all directors who are not also members of senior management.

Valier Boivin

Valier Boivin holds a bachelor's degree in Administration (UQAC, 1973), a master's degree in Taxation (University of Sherbrooke, 1978) and a bachelor's degree in Law (University of Montréal, 1985). He has been a member of the Québec Bar since 1986 and of the Ordre des comptables agréés du Québec since 1974. He was a professor at UQAC until 1978 and in the Faculty of Business Administration and in the Master's Program in Taxation of the University of Sherbrooke until 1987. A founder of law firm Boivin O'Neil, GP in December of 1987 and partner until December 2005, Valier has been a partner in Boivin Carrier, GP (formerly Boivin O'Neil, GP) since January 2006. He has been President of VMCAP inc., the limited partner of FIER Ville-Marie, LP since January 2006. He also maintains an active social commitment through various professional associations, not-for-profit organizations and charitable foundations.

Pietro Perrino

Pietro Perrino received his master's degree in Business Administration (MBA) from Université du Québec à Montréal in January 2001. In March 1999, he founded Pergui Groupe Conseil Inc. where he accompanies corporate managers in honing their strategic positioning and business development. Pergui Groupe Conseil's clients include businesses and organizations working primarily in the healthcare, energy, transportation, tourism, forestry, professional services and real estate management sectors. In 2005, he was one of the main promoters of a seed capital company, ZoomMed Inc. From that vantage point, he was successful in listing the company for trading; its shares have traded on the TSX Venture Exchange since August 8, 2006. Pietro is Chairman of the Board and a director of ZoomMed. He serves on the Board of Directors of Hôpital Maisonneuve-Rosemont and is secretary of the hospital's finance and procurement committee. He is also a director of Société des Alcools du Québec. In January 2006, he set up the regional economic intervention fund FIER Ville-Marie, LP, designed to assist businesses in obtaining financing in the start-up and development stages.

Louis Proulx

Louis Proulx is Chairman of the Board of Directors and Shareholder of G. Proulx & Associés Assurances inc., a brokerage firm in Laval, Québec. Louis is a past governor of the Insurance Brokers Association of Canada and has served as its Chairman of the Board in Toronto. Louis Proulx holds a bachelor's degree in business administration, Marketing and Finance from HEC Montréal, and is a Certified Insurance Broker. He was appointed to the Board of Directors of the Royal Canadian Mint on June 12, 2001. He is Chair of the Corporate Governance and Nominating committees.

BOARD COMMITTEES

Audit Committee

The mandate of the Corporation's Audit Committee is to assist the Board of Directors in its oversight of: (i) the integrity of its financial statements, financial reporting process, internal controls concerning financial reporting and audit methodologies; (ii) its compliance with legal and regulatory requirements, including the methods used to ensure compliance with such requirements; (iii) the skills and independence of independent auditors; and (iv) the performance of independent auditors. Current members of the Audit Committee are Valier Boivin, Martin Vidal and Louis Proulx.

EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

The following table shows the annual and long-term compensation paid to the Corporation's President, Executive Vice-president and Vice-president, Operations, and Chief Financial Officer for services they have provided to the Corporation in any of their capacities.

Name and Position	Fiscal Year Ended December 31	Annual Compensation			Long-term Compensation
		Salary (\$)	Bonuses (\$)	Other Annual Compensation (\$)	Shares Under Options Granted (Number)
Jean Bourassa-Marineau President	2005	\$100,000	Nil	Nil	Nil
	2004	\$118,908	Nil	Nil	Nil
	2003	\$133,958	Nil	Nil	Nil
Martin Vidal Executive Vice-president	2005	\$100,000	Nil	Nil	Nil
	2004	\$146,115	Nil	Nil	2,939,840 ⁽¹⁾
	2003	\$140,030	Nil	Nil	Nil
Alain Baribeau ⁽²⁾ Director of Operations and Chief Financial Officer	2005	Nil	Nil	Nil	Nil
	2004	Nil	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil

Notes:

- (1) This option was exercised in whole by Martin Vidal on January 4, 2005.
- (2) Alain Baribeau assumed his position on March 13, 2006.

Employment agreements

Jean Bourassa-Marineau, Martin Vidal and Alain Baribeau have each signed an employment agreement with the Corporation that contains, among other things, the customary non-competition, non-solicitation and confidentiality provisions as well as covenants providing that any intellectual property developed in the course of their employment is the property of the Corporation.

The employment agreements of Jean Bourassa-Marineau, Martin Vidal and Alain Baribeau provide that in the event of their dismissal without just cause, they shall be entitled to a cash compensation equivalent to One Year of their respective base salary. Furthermore, if the Corporation terminates their employment pursuant to a change of control, it must then pay them cash compensation equivalent to One Year of their respective base salary.

In addition, in the event of dismissal without just cause, all Common Share options granted to them under the Plan shall be immediately vested to them and may be exercised within 90 days of their dismissal.

Total exercised options and exercised Stock Appreciation Rights (“SARs”) during the last ended fiscal year and value of such options and SARs at the end of the fiscal year

Name	Securities Acquired upon Exercise (Number)	Total Overall Realized Value (\$)	Unexercised Options or SARs at the End of the Fiscal Year May/May Not Be Exercised (Number)	Value of Unexercised ITM Options or SARs at the End of the Fiscal Year That May/May Not Be Exercised (\$)
Martin Vidal Executive Vice-president	2,939,840	1,064,000	Nil	Nil

Compensation of directors

Directors who are not members of management receive no compensation in that capacity. Nonetheless, the Corporation has granted to each of Louis Proulx, Valier Boivin and Pietro Perrino 15,000 stock options at an exercise price equal to the price of the Common Shares offered as part of the Offering.

All reasonable and justified travelling expenses incurred to attend meetings of the Board of Directors and of its Committees are reimbursed.

INDEBTEDNESS OF DIRECTORS AND SENIOR EXECUTIVES

None of the members of management, the directors or employees and no former members of management, directors or employees is indebted to the Corporation. Furthermore, no debt contracted by these persons with another party has been the subject of any guarantee or letter of credit provided by the Corporation or of any support agreement or any agreement that may be similar in substance entered into by the Corporation.

PLAN OF DISTRIBUTION

The Corporation and the Agent signed an Agency Agreement on November 28, 2006 (the “**Agency Agreement**”) under the terms of which and subject to the conditions therein set out, the Corporation has agreed to issue and sell, and the Agent has agreed to use its best efforts to sell, prior to December 31, 2006 or at any other date the Corporation and the Agent may agree, 3,333,333 Units if the minimum offering is subscribed and 6,666,667 Units if the maximum offering is subscribed at a price of \$0.60 per Unit, payable in cash on delivery of certificates evidencing the Shares. The Agency Agreement provides for the payment to the Agent of a fee of \$0.048 per Unit sold in consideration for services rendered under this Offering.

As additional compensation for their services in respect of the Offering, the Corporation has also granted Broker Warrants to purchase Units to the Agent representing 5% of the total number of Units sold to the public pursuant to the Offering. The Broker Warrants are exercisable for a period of 18 months following the closing date at the offering price

hereunder. This prospectus also qualifies the distribution of the Broker Warrants, Units, Common Shares and Warrants underlying the Broker Warrants.

The TSX Venture Exchange has conditionally approved the listing of the Common Shares offered under this Prospectus and the Underlying Shares. The listing of the Common Shares is conditional on the Corporation's fulfilling all the TSX Venture Exchange's listing requirements within the prescribed time, including the distribution of the Units to a minimum number of public shareholders.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right to close the subscription records at any time without notice. It is expected that the initial closing of this Offering will take place prior to December 31, 2006 or on such other date as the Corporation and the Agent may agree, and that the certificates representing the Common Shares and the Warrants will be delivered on the closing date of the Offering or shortly after. If the maximum offering is not subscribed by the initial closing date, subsequent closings may occur at any time and from time to time no later than one year after the date of receipt for the final prospectus in respect of this Offering. If the minimum offering is not subscribed within 90 days from the date of issuance of a receipt for the final prospectus, all subscription monies will be returned to the subscribers without interest or deduction unless the securities regulatory authorities authorize an extension and the subscribers consent thereto.

Prior to the Offering, there was no public market for the Common Shares and the Warrants. The offering price of the Units has been set pursuant to negotiations between the Corporation and the Agent.

The Corporation has agreed, subject to certain limited exceptions, to refrain from offering, selling, selling under contract or disposing in any other manner, directly or indirectly, of Common Shares or securities convertible into Common Shares or exchangeable for Common Shares or any right to acquire Common Shares for a period of 120 days following the closing date of the Offering without obtaining the prior written consent of the Agent, who shall not refuse without reasonable cause.

Pursuant to the Agency Agreement, the Corporation has agreed to indemnify the Agent as well as the members of its group and their directors, employees and representatives against certain liabilities.

RISK FACTORS

Investing in the Common Shares involves a high level of risk. Readers should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision. If any of the following risks actually occurs, the Corporation's business, financial position or results of operations could be materially adversely affected. In such an event, the trading price of the Common Shares could decline and investors may lose all or part of their investment.

RISKS RELATED TO OUR BUSINESS AND THE INDUSTRY

Inability to implement our business strategy

The growth and expansion of our business is heavily dependent upon the successful implementation of our business strategy. There can be no assurance that the Corporation will be successful in the implementation of its business strategy.

Dependence on key personnel

The Corporation's success is dependent on certain key management personnel, primarily Jean Bourassa-Marineau, which is key to the existence and continuity of the Corporation. Furthermore, competition for qualified employees among food industry companies is intense, particularly with regard to sales staff, and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect the Corporation's business. The Corporation is the designated beneficiary of a life insurance policy in the amount of \$500,000 U.S. on Jean Bourassa-Marineau.

Labour relations

While labour relations with the Corporation's employees have been stable to date, the maintenance of a productive and efficient labour environment cannot be assured. In the event of a labour disruption such as a strike or lockout, our business could be adversely affected. The Corporation's employees are not represented by a trade union.

Dependence on suppliers and customers

The Corporation purchases the principal raw materials it needs to manufacture its products from third parties. In 2005, the Corporation made 31% of its purchases (33% in the fiscal year ended December 31, 2004) from a single supplier. However, the Corporation has maintained a good business relationship with this supplier for the past 12 years. The Corporation's sales come from a large number of clients. Therefore, the Corporation is not dependent on any of its clients.

Sourcing of suitable distributors

Revenue and earnings stability and growth are directly dependent on the effectiveness of advertising, marketing and promotional programs, and effective distribution. The Corporation currently sell its products through specialized obesity treatment centres in North America and pharmacies and parapharmacies in Europe. Its financial success is dependent on its ability to continue to secure effective channels of distribution on favourable terms with suitable distributors. In addition, the Corporation has not yet established distribution networks for the Protilife project or its bar manufacturing program and there can be no assurance that it will be able to establish such distribution networks.

Violations by distributors doing business with the Corporation of applicable legislation or the Corporation's marketing policies in dealing with customers could have an adverse affect on the Corporation's revenues, operating results and reputation.

Product liability

The sale and use of the products developed solely by the Corporation or under collaborative arrangements carry the risk of legal proceedings based on product liability. The Corporation maintains liability insurance coverage in the aggregate amount of \$10 million for issues of safety as well as for errors and omissions. While it believes such insurance coverage to be adequate, there can be no assurance that future claims based on product liability will not exceed such amounts. In addition, should it prove impossible to obtain this type of insurance at reasonable rates or to otherwise protect itself against potential liability proceedings, the Corporation could be required to cease the commercialization of products that it has developed or even be prevented from beginning the commercialization of products. The Corporation's obligation to pay indemnities or to withdraw a product following complaints could seriously affect its financial position as well as its future.

Dependence on new products

Success will depend in part upon the Corporation's ability to offer new products that meet evolving customer requirements. There can be no assurance that the Corporation will be able to develop and bring to market new products in a timely manner nor can there be any assurance that there will be widespread customer acceptance or demand for products such as those it offers.

If the Corporation does not introduce new products or enhance existing products to meet the evolving needs of the Corporation's customers in timely fashion, certain products might become obsolete, which could have unfavourable consequences with respect to operating results.

Adverse publicity

Adverse publicity associated with the Corporation's products or those of similar companies or concerning any actual or purported failure by the Corporation to comply with applicable laws and regulations could harm our financial condition and operating results. The results of the Corporation's operations may be significantly affected by the public's perception of the Corporation and similar companies. This perception is dependent upon opinions concerning: (i) the safety and quality of the Corporation's products or of similar products distributed by other companies; and (ii) the Corporation's distributors, manufacturers and customers.

Adverse publicity, whether accurate or not or resulting from customers' use or misuse of products, that associates consumption of products or any similar products with illness or other adverse effects, questions the benefits of the Corporation's or similar products or claims that any such products are ineffective, inappropriately labelled or have inaccurate instructions as to their use, could negatively impact the Corporation's reputation or the market demand for its products.

Competitive market for the Corporation's products and services

The health and nutrition industries are highly competitive. Overall, most of the Corporation's competitors in the health and nutrition industries are larger than it and might have greater financial and other resources, which could enable them to invest significant amounts of capital and other resources in their businesses, including expenditures for research and development. If one of the Corporation's current or future competitors develops innovative proprietary products, some of the Corporation's products could be rendered obsolete.

Environmental protection and occupational health and safety

The Corporation's manufacturing operations are subject to environmental protection and health and safety legislation concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and occupational health and safety. From time to time, the Corporation has incurred, and continues to incur, costs and obligations related to compliance with environmental protection and occupational health and safety legislation. Failure to comply with environmental protection and occupational health and safety legislation could result in additional costs for corrective measures, penalties or in restrictions on its manufacturing operations.

Protection of intellectual property

The success of the Corporation's products depends to a significant extent upon its intellectual property and the goodwill associated with its business. The Corporation's intellectual property is subject to the following risks: (i) while some of its intellectual property is protected by registered trademarks in certain jurisdictions in North America and Europe and in certain other countries in which it operates, the Corporation may not be successful in asserting these rights; (ii) much of the Corporation's proprietary knowledge is based on specific manufacturing procedures and technological know-how, which do not afford the same level of protection as patents or other forms of registered intellectual property; (iii) despite its efforts, the Corporation may be unable to prevent third parties from infringing upon or misappropriating its proprietary rights, or from independently developing non-infringing products that are competitive with, equivalent or superior to its products; and (iv) the laws of certain foreign countries may not protect its intellectual property rights to the same extent as laws in North America and Europe. From time to time, the Corporation may have to reformulate finished health and nutrition products to remove ingredients or discontinue sales of such products in response to patents obtained by other companies. If the Corporation fails to protect its intellectual property, the goodwill associated with its business might be impaired and its ability to compete could be adversely affected.

Regulation

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale and storage of the Corporation's products are affected by a body of laws, governmental regulations, administrative determinations, including those by the Canada Food Inspection Agency, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that the Corporation is in compliance with all of these laws, regulations and other constraints. Failure by the Corporation to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Corporation's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead the Corporation to discontinue product sales and could have an adverse effect on the marketing of the Corporation's products, resulting in significant loss of sales.

Risks of foreign exchange rate fluctuation

The value of the investment in each operating subsidiary is partially a function of the currency exchange rate between the Canadian dollar and the applicable local currency. Investments in operating subsidiaries are converted at the applicable foreign currency exchange rate. In addition, the Corporation is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its assets, liabilities, revenues and costs are denominated in other currencies, such as the euro and the U.S. dollar. Exchange rates for currencies of the countries in which the Corporation and its operating subsidiaries operate may fluctuate in relation to the Canadian dollar, and such fluctuations, especially as between the Canadian dollar and the euro, may have a material adverse effect on our earnings or assets when translating foreign currency into Canadian dollars. In general, the Corporation does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, the Corporation may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. The

Corporation does not typically carry currency convertibility risk insurance. Furthermore, operating revenues are in local currency or in U.S. dollars and while our operating subsidiaries may seek to borrow in local currencies to help reduce their overall currency exposure, they may have indebtedness or may incur costs or make payments in currency denominations other than their own functional currency.

Organizational structure; potential for local law changes

The Corporation holds interests in an operating subsidiary which was incorporated in a foreign jurisdiction (Ireland). There can be no assurance that the laws or administrative practices relating to taxation, foreign exchange or otherwise in such jurisdiction will not change, and any such change could materially adversely affect the Corporation's financial position and its ability to receive funds from these operating subsidiaries.

Changing market conditions

The obesity treatment market is constantly evolving, and there can be no assurance that such changes will not affect the market for obesity treatment products. There can be no assurance that the Corporation will be able to enter into and/or sustain contractual or other marketing or distribution arrangements on a satisfactory commercial basis with its customers.

Research and development risk

A principal component of the Corporation's business strategy is to expand its product offering to better serve the needs of emerging markets. Accordingly, the Corporation's organic growth and long-term success is dependent on its ability to successfully develop and market new products. As a result, the Corporation is committed to significant research and development expenditures. However, there is no certainty that this investment in research and development will yield technically feasible or commercially viable products.

International sales

The Corporation's international sales operations expose it and its representatives, agents and distributors to risks inherent to operating in foreign jurisdictions which could materially adversely affect its operations and financial position. These risks include:

- Country-specific taxation policies;
- Imposition of additional foreign governmental controls or regulations;
- Export license requirements;
- Changes in tariffs and other trade restrictions;
- Complexity of collecting receivables in a foreign jurisdiction.

Moreover, applicable agreements relating to business in foreign jurisdictions are governed by foreign laws and are subject to dispute resolution in the courts of, or through arbitration proceedings in, the country or region in which the parties are located or another jurisdiction agreed upon by the parties. We cannot accurately predict whether such forum will provide an effective and efficient means of resolving disputes that may arise in the future. Even if it obtains a satisfactory decision through arbitration or a court proceeding, the Corporation could have difficulty in forcing any award or judgment on a timely basis or at all.

RISKS RELATED TO THE OFFERING

Use of proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their use. As a result, investors will be relying on management's judgment for the effective use of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that investors may not consider desirable. The consequences and the effectiveness of the use of the proceeds of the Offering are uncertain. If the proceeds are not applied effectively, the results of the Corporation's operations may suffer.

Absence of previous public market and determination of offering price

Prior to the Offering, there has been no public market for the Common Shares, and an active public market for the Corporation's common shares may not develop or be sustained after the Offering. If an active public market does not develop, the liquidity of investors' investments may be limited, and the share price may decline below its initial public offering price. The initial public offering price will be determined by negotiation between the Corporation and the representatives of the Agent and might bear no relationship to the price that will prevail in the public market.

Volatility of share prices

Share prices are subject to change due to numerous factors beyond the Corporation's control, including reports of new information, changes in the Corporation's financial position, failure by the Corporation to achieve financial results in line with analysts' expectations, or announcements by the Corporation or any of its competitors concerning new products.

There can be no assurance that the market price of the Corporation's shares will be protected from any such fluctuations in the future.

Immediate dilution

The initial public offering price of the Common Shares will significantly exceed the net tangible book value per Common Share. Accordingly, if investors purchase common shares in this Offering the latter will experience immediate and substantial dilution. If the outstanding options to purchase Common Shares and other convertible securities are exercised, the Offering will experience additional dilution.

Future sales of Common Shares

The market price of Common Shares could decline as a result of issuances by the Corporation or sales by its existing shareholders of Common Shares after the Offering, or the perception that these sales could occur. In addition, sales of Common Shares by shareholders might also make it more difficult for the Corporation to sell equity securities at a time and price that it deems appropriate. All of the Common Shares offered pursuant to the Offering will be freely tradable on the TSX Venture Exchange without restriction under securities legislations in provinces of Canada.

Dividends

To date Corporation has declared and paid almost no dividends on its Common Shares. The Corporation currently intends to retain its future earnings, if any, to finance further research and business expansion. As a result, the return on an investment in Common Shares will depend upon any future appreciation in value. There can be no assurance that the Common Shares will appreciate or even maintain the price at which shareholders purchased their shares. See "Dividend Policy".

DIVIDEND POLICY

The Corporation's current intention is to re-invest future earning to finance the growth of its business. Consequently, it does not intend to pay dividends in the foreseeable future. Any decision to pay cash dividends is left to the judgment of the Board of Directors and will depend on financial position, results of operations, capital requirements and such other factors as the Board of Directors shall deem relevant.

LEGAL MATTERS

The Corporation currently has no material legal matters pending and does not foresee being party to any such legal matters.

MATERIAL CONTRACTS

With the exception of agreements entered into in the normal course of business, the only agreements of any significance with regard to the Offering that have been entered into by the Corporation within the two years prior to the date of this Prospectus, or that must be signed by the Corporation at the latest by the close of this Offering, are the following:

- (a) The Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated November 28, 2006 between the Corporation and Computershare Investor Services Inc.;
- (b) The Subscription Agreement dated April 26, 2006 between the Corporation and FIER Ville-Marie, LP;
- (c) The Warrant held by FIER Ville-Marie, LP for 1,428,571 common shares;
- (d) The Agency Agreement;
- (e) The Escrow Agreement;
- (f) The Warrant Indenture.

A copy of the above agreements may be viewed or will be available for review at the head office of the Corporation during normal business hours for the duration of the Offering of the shares placed with this Prospectus.

EXPERTS

Certain questions of a legal nature with regard to the Offering will be examined by BCF LLP on behalf of the Corporation and by Fraser Milner Casgrain LLP on behalf of the Agent. As of the date of this prospectus, the partners and other attorneys of BCF LLP and Fraser Milner Casgrain LLP are not collective beneficial owners, directly or indirectly, of any Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Raymond Chabot Grant Thornton LLP, Chartered Accountants, 600 de La Gauchetière West, Montréal, Québec H3B 4L8.

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc., at its main offices in Montréal and Toronto.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

AUDITORS' CONSENT

We have read the prospectus of Ranaz Corporation (the Corporation) dated November 28, 2006 relating to the issuance and sale of a minimum of 3,333,333 units and a maximum of 6,666,667 units at a price of \$0.60 per unit, each unit consisting in one common share and half of a warrant of the Corporation. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report addressed to the Directors of the Corporation on the balance sheets as at December 31, 2005 and 2004, and the statements of earnings, deficit and cash flows for each of the years comprised in the three-year period ended December 31, 2005. Our audit report is dated February 21, 2006 (November 15, 2006 for note 16 and November 28, 2006 for note 22).

(s) Raymond Chabot Grant Thornton

Montréal, Québec

November 28, 2006

FINANCIAL STATEMENTS

Ranaz Corporation
Consolidated Financial Statements
December 31, 2005, 2004 and 2003

Auditors' Report	2
Financial Statements	
Consolidated Earnings	3
Consolidated Retained Earnings (Deficit)	4
Consolidated Cash Flows	5
Consolidated Balance Sheets	6
Notes to Consolidated Financial Statements	7 - 20

Auditors' Report

To the Directors of
Ranaz Corporation

We have audited the consolidated balance sheets of Ranaz Corporation as at December 31, 2005 and 2004 and the consolidated statements of earnings, retained earnings (deficit) and cash flows for each of the years comprised in the three-year period ended December 31, 2005. 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 audits.

We conducted our audits 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and its cash flows for each of the years comprised in the three-year period ended December 31, 2005 in accordance with Canadian generally accepted accounting principles.

/s/ Raymond Chabot Grant Thornton LLP

Chartered Accountants

Montréal
February 21, 2006
(November 15, 2006 for note 16 and November 28, 2006 for note 22)

Ranaz Corporation Consolidated Earnings

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Sales	5,365,421	4,262,350	8,141,605	7,993,551	11,147,537
Cost of sales	3,633,246	2,699,227	5,449,044	5,572,343	6,979,234
Gross profit	<u>1,732,175</u>	<u>1,563,123</u>	<u>2,692,561</u>	<u>2,421,208</u>	<u>4,168,303</u>
Research expenses	109,917	128,966	179,181	356,253	304,151
Selling and administrative expenses	1,404,533	1,094,027	2,308,158	3,221,867	3,583,576
Stock-based compensation expense			1,064,000		
Financial expenses	48,299	63,246	139,705	116,184	91,410
Amortization	113,303	96,031	193,676	237,728	162,723
Exchange loss	97,546	286,314	167,951	29,456	46,271
	<u>1,773,598</u>	<u>1,668,584</u>	<u>4,052,671</u>	<u>3,961,488</u>	<u>4,188,131</u>
Loss before income taxes and non-controlling interest	<u>(41,423)</u>	<u>(105,461)</u>	<u>(1,360,110)</u>	<u>(1,540,280)</u>	<u>(19,828)</u>
Income taxes (note 5)					
Current	83,872	49,970	50,531	(66,573)	(93,605)
Future			(22,626)	12,048	33,192
Use of a previously unrecognized tax loss	(73,866)	(49,970)			
Other	31,531	27,721			
	<u>41,537</u>	<u>27,721</u>	<u>27,905</u>	<u>(54,525)</u>	<u>(60,413)</u>
Earnings (loss) before non-controlling interest	<u>(82,960)</u>	<u>(133,182)</u>	<u>(1,388,015)</u>	<u>(1,485,755)</u>	<u>40,585</u>
Non-controlling interest					106,774
Net loss	<u>(82,960)</u>	<u>(133,182)</u>	<u>(1,388,015)</u>	<u>(1,485,755)</u>	<u>(66,189)</u>
Basic and diluted loss per class "A" share (Note 6)	<u>(0.004)</u>	<u>(0.007)</u>	<u>(0.075)</u>	<u>(148,575.500)</u>	<u>(6,618.900)</u>
Weighted average number of class "A" shares outstanding	<u>21,041,831</u>	<u>18,441,630</u>	<u>18,445,900</u>	<u>10</u>	<u>10</u>

The accompanying notes are an integral part of the consolidated financial statements and note 4 provides other information on consolidated earnings.

Ranaz Corporation
Consolidated Retained Earnings (Deficit)

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Retained earnings (deficit), beginning of period	(1,104,941)	283,074	283,074	1,768,829	1,835,018
Net loss	<u>(82,960)</u>	<u>(133,182)</u>	<u>(1,388,015)</u>	<u>(1,485,755)</u>	<u>(66,189)</u>
Retained earnings (deficit), end of period	<u><u>(1,187,901)</u></u>	<u><u>149,892</u></u>	<u><u>(1,104,941)</u></u>	<u><u>283,074</u></u>	<u><u>1,768,829</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

Ranaz Corporation

Consolidated Cash Flows

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
OPERATING ACTIVITIES					
Net loss	(82,960)	(133,182)	(1,388,015)	(1,485,755)	(66,189)
Non-cash items					
Stock-based compensation expense			1,064,000		
Amortization	113,303	96,031	193,676	237,728	162,723
Loss on disposal of property, plant and equipment				6,704	
Non-controlling interest					106,774
Loss on write-off of deferred charges				14,200	27,573
Future income taxes	31,531	27,721	(22,626)	12,048	33,192
Changes in working capital items (Note 7)	(349,081)	(535,855)	(136,062)	898,921	203,354
Cash flows from operating expenses	(287,207)	(545,285)	(289,027)	(316,154)	467,427
INVESTING ACTIVITIES					
Advances to private companies	5,994	(831)	(42,000)		
Advances to shareholders	(29,205)				
Advances	(1,695)	(40)	(1,254)	(167,403)	20,350
Property, plant and equipment	(37,865)	(10,637)	(19,649)	(195,013)	(475,914)
Disposal of property, plant and equipment				15,000	
Client listing	(347,650)				
Deferred charges					(14,200)
Trademark					(14,013)
Cash flows from investing activities	(410,421)	(11,508)	(62,903)	(347,416)	(483,777)
FINANCING ACTIVITIES					
Bank loan	25,000	120,000	(120,000)	300,000	(355,000)
Demand loan		200,000	200,000	248,986	
Term loans					280,283
Repayment of debt	(59,984)	(33,600)	(95,631)	(46,891)	(86,501)
Dues to shareholders		169,889	197,684	90,788	415,229
Dues to private company					(1,950)
Balance of sale	(54,135)				
Dues to a director			(14,512)	10,260	(2,000)
Issue of class "A" shares	927,664				
Cash flows from financing activities	838,545	456,289	167,541	603,143	250,061
Net increase (decrease) in cash	140,917	(100,504)	(184,389)	(60,427)	233,711
Cash (bank overdraft), beginning of period	(53,781)	130,608	130,608	191,035	(42,676)
Cash (bank overdraft), end of period	87,136	30,104	(53,781)	130,608	191,035

The accompanying notes are an integral part of the consolidated financial statements.

Ranaz Corporation

Consolidated Balance Sheets

	Unaudited 2006-06-30	2005-12-31	2004-12-31
	\$	\$	\$
ASSETS			
Current assets			
Cash	87,136		130,608
Accounts receivable (Note 8)	1,098,784	998,204	967,204
Income taxes receivable		13,716	160,292
Short term portion of advances to private company, 2%, matured since December 31, 2005	24,725	167,723	179,308
Short term portion of advance to private company, 6%	13,825	53,585	
Advances to shareholders, without interest	29,205		
Inventories (Note 9)	1,498,229	951,653	1,243,066
Prepaid expenses	91,872	44,012	96,696
	<u>2,843,776</u>	<u>2,228,893</u>	<u>2,777,174</u>
Investments (Note 10)	50,000	50,000	50,000
Advances (Note 11)	3,278	1,583	329
Advances to private company, 2%, receivable in quarterly instalments of €4,339, maturing in February 2012	142,203		
Advances to private company, 6%, receivable in quarterly instalments of €2,426, maturing in September 2009	34,561		
Property, plant and equipment (Note 12)	550,898	594,393	762,476
Trademark (Note 13)	11,173	12,117	14,005
Client listing	318,679		
Goodwill	61,919	61,919	61,919
Deferred charges	14,202	16,230	20,286
	<u>4,030,689</u>	<u>2,965,135</u>	<u>3,686,189</u>
LIABILITIES			
Current liabilities			
Demand loan, prime rate plus 3% (8% as at December 31, 2005)	200,000	200,000	
Bank loan (Note 14)	425,000	400,000	520,000
Bank overdraft		53,781	
Accounts payable (Note 15)	1,082,292	760,086	1,370,333
Income taxes payable	10,013		
Balance of sale, without interest	273,743	327,878	327,878
Instalments on long-term debt	127,467	137,704	124,252
Future income taxes	23,441	13,930	31,697
	<u>2,141,956</u>	<u>1,893,379</u>	<u>2,374,160</u>
Due to shareholders, 8%			506,017
Long-term debt (Note 16)	312,685	362,432	471,515
Future income taxes	68,484	46,464	51,323
	<u>2,523,125</u>	<u>2,302,275</u>	<u>3,403,015</u>
SHAREHOLDERS' EQUITY			
Capital stock (Note 18)	2,695,465	1,767,801	100
Retained earnings (deficit)	<u>(1,187,901)</u>	<u>(1,104,941)</u>	<u>283,074</u>
	<u>1,507,564</u>	<u>662,860</u>	<u>283,174</u>
	<u>4,030,689</u>	<u>2,965,135</u>	<u>3,686,189</u>

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

/s/ Jean Bourassa-Marineau
Director

/s/ Martin Vidal
Director

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company, incorporated under the Canada Business Corporations Act, is involved primarily in the manufacturing and distribution of specialized, diet and energy products industry.

2 - GOING CONCERN ASSUMPTION

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

In light of operating losses accrued in the past years and non-compliance with the financial ratio requirements of the Company's financial institution, the Company's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders and financial institution.

The Company's management has adopted a cost reduction plan to address this situation and is confident it will obtain the necessary financing from shareholders and a lending financial institution.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the balance sheet classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3 - ACCOUNTING POLICIES

Interim financial statements presentation

The interim financial information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited. However, in the opinion of management, such information has been prepared on the same basis as the audited consolidated financial statements as at December 31, 2005 and includes all adjustments necessary for a fair presentation of the financial position and the results of operations for the period presented. The interim results, however, are not necessarily indicative of results for any future period.

The unaudited interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements. Accordingly, these unaudited interim financial statements should be read in conjunction with the 2005 annual financial statements.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from these estimates.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

3 - ACCOUNTING POLICIES (Continued)

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, Pro-Amino International Inc. and Distridiet Limited.

Revenue recognition

The Company's principal source of revenue is the sale of specialized, diet and energy products. As a general principle, revenue is recognized when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred;
- The price to the buyer is fixed or determinable;
- Collection is reasonably assured.

Revenue is recognized when products arrive at the customer's premises.

Inventory valuation

Finished goods and work in process are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

Raw materials and packaging are valued at the lower of cost and replacement cost. Cost is determined by the first in, first out method.

Amortization

Property, plant and equipment, the trademark and client listing are amortized over their estimated useful lives according to the following methods and annual rates:

	<u>Methods</u>	<u>Rates</u>
Office furniture and manufacturing equipment	Diminishing balance	20%
Automotive equipment and computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	20%
Trademark	Straight-line	10%
Client listing	Straight-line	20%

Impairment of long-lived assets

Property, plant and equipment, the trademark and client listing are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

3 - ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill is the excess of the cost of acquired enterprises over the net of the amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized. It is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it is impaired. Goodwill is allocated to reporting units and any potential goodwill impairment is identified by comparing the carrying amount of a reporting unit with its fair value. If any potential impairment is identified, it is quantified by comparing the carrying amount of goodwill to its fair value. The fair value of a reporting unit is calculated using discounted cash flows.

Research and development costs and investment tax credits

Research and development costs are expensed as they are incurred. However, the development costs are deferred when they respect the generally accepted criteria to the extent that their recovery can reasonably be regarded as assured. They are then amortized over periods of three to seven years. To date, the Company has not deferred such development costs.

Investment tax credits are accounted for as a reduction of the research and development costs during the year in which the costs are incurred, provided that the Company is reasonably certain that the credits will be received. The investment tax credits must be examined and approved by the tax authorities and it is possible that the amounts granted will differ from the amounts recorded.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

Loss per share

Basic loss per class "A" share is computed by dividing the net loss available to class "A" shareholders by the weighted average number of class "A" shares outstanding during the year. Diluted loss per share is calculated giving effect to the potential dilution that could occur if securities or other contracts to issue class "A" shares were exercised or converted to such shares at the later of the beginning of the year or the issuance date. The treasury stock method is used to determine the dilutive effect of warrants.

Foreign currency translation

Monetary assets and liabilities in foreign currency of Canadian corporations and integrated foreign operations are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenue and expenses in foreign currency are translated at the average rate in effect during the year, with the exception of revenue and expenses relating to non-monetary assets and liabilities, which are translated at the historical rate. Gains and losses are included in the earnings for the year.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

3 - ACCOUNTING POLICIES (Continued)

Deferred charges

Reorganization expenses are amortized according to the straight-line method over a ten-year period.

Share issue expenses

Share issue expenses are applied against share issue revenue.

Stock-based compensation plan

The Company grants stock options to an officer in accordance with his stock-based compensation plan. This stock-based compensation plan is recognized using the minimum value method. Compensation costs, evaluated on the grant date according to the minimum value of the options and recognized over the service period in question, are expensed on the consolidated statement of earnings and credited to contributed surplus. The consideration paid by employees when the options are exercised and the minimum value of the options exercised are added to capital stock.

4 - INFORMATION INCLUDED IN CONSOLIDATED EARNINGS

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Interest on long-term debt	21,533	15,569	34,280	59,456	25,954
Interest and bank charges	26,766	47,677	105,425	56,728	65,456
Amortization of property, plant and equipment	81,360	93,059	187,732	231,784	157,129
Amortization of deferred charges	2,028	2,028	4,056	4,056	4,056
Amortization of trademark	944	944	1,888	1,888	1,538
Amortization of client listing	28,971	-	-	-	-
Loss on write-off of deferred charges	-	-	-	14,200	27,573
Federal government subsidy	22,500	-	33,068	67,662	34,700
Loss on disposal of property, plant and equipment	-	-	-	6,704	-

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

4 - INFORMATION INCLUDED IN CONSOLIDATED EARNINGS (Continued)

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Research expenses	142,790	170,999	315,028	545,004	432,746
Investment tax credits	32,873	42,033	135,847	188,751	128,595
Interests due to shareholders (a)	-	9,944	47,683	8,818	18,029

(a) These transactions were concluded in the normal course of operations and measured at the exchange amount, which is the amount established and accepted by the parties.

5 - INCOME TAXES

The Company's effective income tax rate differs from the combined federal and provincial income tax rate in Canada. This difference arises from the following items:

	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Loss before income taxes and non-controlling interest	<u>(1,360,110)</u>	<u>(1,540,280)</u>	<u>(19,828)</u>
Income taxes calculated using the combined federal and provincial income tax rate in Canada of 22.02%	(299,496)	(339,170)	(4,394)
Increase (decrease) in income taxes resulting from the following:			
Difference due to different income tax rates in foreign subsidiary company	26,458	66,915	(26,220)
Stock-based compensation expense	234,293		
Non-taxable elements	4,985	3,380	1,600
Unrecognized tax savings	12,992	205,306	31,376
Variance of prior period loss carry-forward rates	50,525		(63,355)
Other elements	(1,852)	9,044	580
	<u>27,905</u>	<u>(54,525)</u>	<u>(60,413)</u>
Effective income tax rate	<u>(2.05%)</u>	<u>3.54%</u>	<u>305%</u>

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

5 - INCOME TAXES (Continued)

Future income tax assets and liabilities result from differences between the carrying amount and the tax basis of the following:

	2005-12-31 (12 months)	2004-12-31 (12 months)	2003-12-31 (12 months)
	\$	\$	\$
Current future income tax liability			
Investment tax credits	(9,135)	(24,452)	
Grant	(4,795)	(7,245)	(14,193)
	<u>(13,930)</u>	<u>(31,697)</u>	<u>(14,193)</u>
Long-term future income tax asset (liability)			
Property, plant and equipment	(51,973)	(54,436)	(59,589)
Trademark	5,509	3,113	2,810
	<u>(46,464)</u>	<u>(51,323)</u>	<u>(56,779)</u>

The future income tax asset resulting from operating losses is not recorded in the financial statements. These losses, which are available to reduce income taxes in future years, aggregate \$311,135 for federal purposes and \$784,360 for provincial purposes and can be carried over the following years:

	Federal	Provincial
	\$	\$
2006	1,378	1,378
2007	1,924	1,924
2008	449	449
2009	250	250
2010	4,944	4,944
2014	300,071	773,296
2015	2,119	2,119
	<u>311,135</u>	<u>784,360</u>

6 - LOSS PER SHARE

As a result of the net loss recognized for the period ended June 30, 2006, potentially dilutive factors (described in Note 18) have not been included in the calculation of the net loss per common share, since inclusion thereof would be antidilutive.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

7 - INFORMATION ON CONSOLIDATED CASH FLOWS

The changes in working capital items are detailed as follows:

	2005-12-31 <u>(12 months)</u>	2004-12-31 <u>(12 months)</u>	2003-12-31 <u>(12 months)</u>
	\$	\$	\$
Accounts receivable	(31,000)	814,034	507,073
Income taxes receivable	146,576	4,812	(168,177)
Inventories	291,413	(365,778)	(25,181)
Prepaid expenses	52,684	(10,930)	(13,865)
Accounts payable and accrued liabilities	<u>(595,735)</u>	<u>456,783</u>	<u>(96,496)</u>
	<u>(136,062)</u>	<u>898,921</u>	<u>203,354</u>

Cash flows relating to interest and income taxes on operating activities are detailed as follows:

	Unaudited 2006-06-30 <u>(6 months)</u>	Unaudited 2005-06-30 <u>(6 months)</u>	2005-12-31 <u>(12 months)</u>	2004-12-31 <u>(12 months)</u>	2003-12-31 <u>(12 months)</u>
	\$	\$	\$	\$	\$
Interest paid	35,625	54,209	116,381	91,348	60,753
Income taxes paid (received)	(13,723)	(41,978)	(96,045)	(71,385)	79,376

8 - ACCOUNTS RECEIVABLE

	2005-12-31 <u>\$</u>	2004-12-31 <u>\$</u>
Trade accounts (a)	768,538	476,667
Sales taxes receivable	32,511	272,582
Investment tax credits receivable	175,382	183,831
Federal government subsidy receivable	21,773	32,901
Other	1,223	1,223
	<u>998,204</u>	<u>967,204</u>

(a) As at December 31, 2005, 45% (43% in 2004) of total trade accounts are receivable from one customer.

9 - INVENTORIES

	2005-12-31 <u>\$</u>	2004-12-31 <u>\$</u>
Finished goods	426,782	636,096
Work in process	59,063	56,903
Raw materials and packaging	<u>465,808</u>	<u>550,067</u>
	<u>951,653</u>	<u>1,243,066</u>

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

10 - INVESTMENTS

	<u>2005-12-31</u>	<u>2004-12-31</u>
	\$	\$
Shares of a private company, at cost		
68 common shares	50	50
49,950 class "D" preferred shares	<u>49,950</u>	<u>49,950</u>
	<u>50,000</u>	<u>50,000</u>

11 - ADVANCES

	<u>2005-12-31</u>	<u>2004-12-31</u>
	\$	\$
Advances to a director, without interest or repayment terms	1,254	
Advances to a company managed by a director, without interest or repayment terms	<u>329</u>	<u>329</u>
	<u>1,583</u>	<u>329</u>

12 - PROPERTY, PLANT AND EQUIPMENT

	<u>2005-12-31</u>		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Office furniture	134,518	87,290	47,228
Manufacturing equipment	908,863	484,238	424,625
Automotive equipment	5,211	3,691	1,520
Computer equipment	275,265	189,365	85,900
Leasehold improvements	333,340	304,932	28,408
Computer equipment under capital leases	<u>11,280</u>	<u>4,568</u>	<u>6,712</u>
	<u>1,668,477</u>	<u>1,074,084</u>	<u>594,393</u>
	<u>2004-12-31</u>		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Office furniture	132,498	75,735	56,763
Manufacturing equipment	906,517	378,373	528,144
Automotive equipment	5,211	3,040	2,171
Computer equipment	260,940	155,621	105,319
Leasehold improvements	332,382	271,891	60,491
Computer equipment under capital leases	<u>11,280</u>	<u>1,692</u>	<u>9,588</u>
	<u>1,648,828</u>	<u>886,352</u>	<u>762,476</u>

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

13 - TRADEMARK

	2005-12-31		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Trademark	18,876	6,759	12,117
	<u>18,876</u>	<u>6,759</u>	<u>12,117</u>
	2004-12-31		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Trademark	18,876	4,871	14,005
	<u>18,876</u>	<u>4,871</u>	<u>14,005</u>

14 - BANK LOAN

The Company has a \$1,000,000 authorized bank line of credit secured by a first ranking movable hypothec on the universality of the Company's property. This loan bears interest at the prime rate plus 2% (prime rate plus 1% as at December 31, 2004) (7% as at December 31, 2005; 5% as at December 31, 2004) and is renewable in April 2006.

Under the terms of the credit agreement, the Company is required to comply with certain financial ratio requirements. As at December 31, 2005 and June 30, 2006, the Company does not comply with these requirements (Note 16 (a)).

15 - ACCOUNTS PAYABLE

	2005-12-31	2004-12-31
	\$	\$
Accounts payable and accrued liabilities (a)	760,086	1,355,821
Due to a director, without interest		14,512
	<u>760,086</u>	<u>1,370,333</u>

(a) The Company makes purchases from a major supplier that represent 31% of its purchases for the year ended December 31, 2005 (33% for the year ended December 31, 2004). As at December 31, 2005, 12% of accounts payable are due to this supplier (26% for the year ended December 31, 2004).

16 - LONG-TERM DEBT

	Current portion	2005-12-31	2004-12-31
	\$	\$	\$
Term loans, secured by accounts receivable, inventories and property, plant and equipment, prime rate plus 1.25% to 2% (6.25% to 7%; 5.25% to 6% in 2004), payable in monthly instalments, maturing on various dates from July 2006 to April 2010 (a)	108,944	395,123	486,994

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

16 - LONG-TERM DEBT (Continued)

	<u>Current portion</u>	<u>2005-12-31</u>	<u>2004-12-31</u>
	\$	\$	\$
Term loan from Canada Economic Development, without interest, principal repayments commencing in April 2006, maturing in October 2009	25,000	100,000	100,000
Obligations under capital leases, 5.49%, payable in monthly instalments of \$390, maturing in June 2007	<u>3,760</u>	<u>5,013</u>	<u>8,773</u>
		500,136	595,767
Instalments due within one year	137,704	<u>137,704</u>	<u>124,252</u>
		<u>362,432</u>	<u>471,515</u>

- (a) Under the terms of these loans, the Company is committed to complying with certain requirements, including a maximum debt ratio of 2.30:1.00, minimum shareholders' equity of \$900,000 and a minimum debt coverage ratio of 1.10:1.00. As at December 31, 2005 and June 30, 2006, the Company does not comply with these requirements. As a result of such non-compliance, the loans are payable on demand. However, the financial institution has agreed to waive its demand rights until June 30, 2007.

The instalments on long-term debt for the next five years are as follows:

	<u>Obligations under capital leases</u>	<u>Other long-term loans</u>
	\$	\$
2006	4,679	133,940
2007	1,560	110,854
2008		110,854
2009		110,854
2010		<u>28,621</u>
Total minimum lease payments	<u>6,239</u>	
Interest included in minimum lease payments	<u>1,226</u>	
	<u>5,013</u>	

17 - STOCK-BASED COMPENSATION

As at December 31, 2005, the Company has a stock-based compensation plan under which it can grant options to one of its officers for the acquisition of 2,939,840 class "A" common shares for a cash consideration of \$1. These options vest from the time they are granted to the officer. The compensation cost that has been charged against income for this plan is \$1,064,000 for 2005. All options were granted and exercised in 2005.

The minimum value of the options granted during the year is \$1,064,000. The compensation cost of \$1,064,000 has been expensed on the consolidated statement of earnings and credited to contributed surplus.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

18 - CAPITAL STOCK

Authorized

Unlimited number of shares without par value

Class "A", "B" and "C" voting and participating common shares

Class "A" preferred shares, non-voting, monthly non-cumulative dividend of 0.75% of the redemption value, retractable at the fair market value of the consideration received on issuance

Class "B" preferred shares, non-voting, monthly non-cumulative dividend of 0.67% of the redemption value, retractable at the fair market value of the consideration received on issuance

Class "C" preferred shares, non-voting, non-cumulative dividend of 10% of the redemption value, retractable at the fair market value of the consideration received on issuance

Class "D" preferred shares, non-voting, maximum dividend of \$10 per share for the duration of the issue, retractable or redeemable five years after issuance at the paid-up capital amount plus a maximum premium of \$10 per share

Class "E" preferred shares, non-voting, participating, retractable at the fair market value of the consideration received on issuance

Class "F" preferred shares, voting, monthly non-cumulative dividend of 10% of the redemption value, retractable at the fair market value of the consideration received on issuance

Class "G" preferred shares, voting, participating, retractable at the fair market value of the consideration received on issuance

Class "H" preferred shares, non-voting, participating, redeemable at the paid-up capital amount

	Unaudited 2006-06-30	2005-12-31	2004-12-31
	\$	\$	\$
Issued and fully paid			
22,857,143 class "A" common shares (20,000,000 in 2005 and 10 in 2004)	2,695,465	1,767,801	100

On April 26, 2006, the Company issued 2,857,143 class "A" common shares and 1,428,571 warrants for a cash consideration of \$1,000,000. The warrants give the holder the right to buy 1 428 571 class "A" common shares for \$0.35 each. The warrants can be converted until April 26, 2008. The share issue expenses of \$72,336 were applied against capital stock.

During the year ended December 31, 2005, the Company issued 15,501,780 class "A" common shares in exchange for a reduction in the amounts due to shareholders of \$1. The Company then converted the \$703,701 dues to shareholders into 1,558,370 class "A" common shares. Following the exercise of an officer's stock options, the Company issued 2,939,840 class "A" common shares in exchange for a reduction in the amounts due to shareholders of \$1. Contributed surplus of \$1,064,000 relating to these options was transferred to capital stock.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

19 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

Short-term financial instruments

The fair value of short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly.

Investments and advances to private companies

The fair value of investments and advances to private companies could not be determined because time and cost constraints do not allow the fair value to be determined with sufficient reliability, in particular because the equity interest in these companies are not negotiated on a public market.

Advances to the shareholders, to a director and to a company managed by a director

The fair value of the advances to the shareholders, to a director and to a company managed by a director could not be determined since it is practically impossible to find financial instruments on the market having substantially the same economic characteristics.

Long-term debt with variable interest rate

The fair value of the long-term debt is equivalent to the carrying amount since the loans bear interest at rates that vary according to the market rate.

Non-interest bearing long-term debt

The fair value of the loan from Canada Economic Development could not be determined because time and cost constraints do not allow the fair value to be determined with sufficient reliability because there are conditions attached to it that represent a type of government assistance and it is practically impossible to find a financial instrument on the market having substantially the same economic characteristics.

Foreign exchange risk

The Company is exposed to foreign exchange risk due to cash, accounts receivable, the short term portion of the advances to private companies, accounts payable and the balance of sale denominated in US dollars and euros. As at December 31, 2005, assets denominated in US dollars and euros totalled US\$122,996 (US\$150,297 as at December 31, 2004) and €508,021 (€313,695 as at December 31, 2004) and liabilities resulting from the translation of amounts in US dollars and euros represent \$US39,263 (\$US75,100 as at December 31, 2004) and €298,733 (€685,791 as at December 31, 2004).

The Company does not enter into arrangements to hedge its foreign exchange risk.

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

20 - COMMITMENTS

As at December 31, 2005, the Company has entered into long-term lease agreements expiring until 2010 which call for lease payments of \$123,590 for the rental of a building and \$21,833 for the rental of automotive and office equipment. The minimum lease payments for the next five years are \$138,205 in 2006, \$5,608 in 2007, \$743 in 2008, \$743 in 2009 and \$124 in 2010.

21 - SEGMENTED INFORMATION

The Company operates in a single reportable operating segment. The following information provides the required enterprise-wide disclosures:

	Unaudited 2006-06-30 (6 months) \$	Unaudited 2005-06-30 (6 months) \$	2005-12-31 (12 months) \$	2004-12-31 (12 months) \$	2003-12-31 (12 months) \$
Revenue by geographic location					
Canada	2,919,862	1,970,887	3,938,855	4,079,853	3,750,482
United States	1,055,703	893,539	1,699,951	1,754,503	1,901,231
France	994,028	1,170,592	1,948,120	1,545,131	4,370,811
International	395,828	227,332	554,679	614,064	1,125,013
	<u>5,365,421</u>	<u>4,262,350</u>	<u>8,141,605</u>	<u>7,993,551</u>	<u>11,147,537</u>

Revenue is attributed to geographic locations based on the location of the external customer.

	Unaudited 2006-06-30 \$	2005-12-31 \$	2004-12-31 \$
Property and equipment by geographic location			
Canada	<u>550,898</u>	<u>594,393</u>	<u>762,476</u>
Goodwill by geographic location			
Canada	<u>61,919</u>	<u>61,919</u>	<u>61,919</u>

Ranaz Corporation

Notes to Consolidated Financial Statements

(Information as at June 30, 2006 and for the six-month periods ended June 30, 2006 and 2005 is unaudited)

22 - SUBSEQUENT EVENTS

On October 23, 2006, the Corporation removed the provisions regarding the Corporation's status as a "private issuer" from its articles of incorporation and modified its capital stock such that it would consist thereafter of common shares only.

On November 22, 2006, the litigation concerning the balance of sale of \$273,743 was resolved for an amount of €38,000, payable in 12 instalments.

On November 27, 2006, the Corporation modified its capital stock such that it would consist of an unlimited number of common shares and class "A" preferred shares.

On November 28, 2006, the Company's Board of Directors authorized the signing of an agency agreement and adopted a resolution to file a final prospectus with Canadian securities regulators for an initial public offering to issue common shares. The offering will consist of a minimum of 3,333,333 units and a maximum of 6,666,667 units at a price of \$0.60 per unit, each unit consisting of one common share and half of a warrant. The proceeds are estimated between \$2,000,000 and \$4,000,000.

CERTIFICATE OF THE CORPORATION

November 28, 2006.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus in accordance with Part XV of the *Securities Act* (Ontario) and Regulations. For the purposes of the province of Québec, this prospectus contains no misrepresentation likely to affect the value or the market price of the securities distributed pursuant to the Offering.

(s) *Jean Bourassa-Marineau*
President

(s) *Martin Vidal*
Executive Vice-president

On behalf of the Board of Directors:

(s) *Pietro Perrino*
Director

(s) *Valier Boivin*
Director

CERTIFICATE OF THE AGENT

November 28, 2006.

To the best of our knowledge, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus, in accordance with Part XV of the *Securities Act* (Ontario) and Regulations. For the purposes of the province of Québec, this prospectus contains no misrepresentation likely to affect the value or the market price of the securities distributed pursuant to the Offering.

VERSANT PARTNERS INC.

(s) William Murray