

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form 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. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Plazacorp Retail Properties Ltd. at 527 Queen Street, Suite 200, Fredericton, New Brunswick, E3B 1B8, Attention: Secretary (telephone: 506-451-1826), and are also available electronically at www.sedar.com ("**SEDAR**").

SHORT FORM PROSPECTUS

New Issue

September 20, 2011



PLAZACORP RETAIL PROPERTIES LTD.

\$27,720,000

6,600,000 Common Shares

This short form prospectus qualifies the distribution (the "**Offering**") of 6,600,000 common shares (the "**Offered Shares**") of Plazacorp Retail Properties Ltd. ("**Plazacorp**" or the "**Company**") at a price of \$4.20 per Offered Share (the "**Offering Price**"). The Offering is being made pursuant to an underwriting agreement dated September 12, 2011 (the "**Underwriting Agreement**") among Plazacorp and RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., Beacon Securities Limited, Scotia Capital Inc., Desjardins Securities Inc. and National Bank Financial Inc. (collectively, the "**Underwriters**"). The Offering Price was determined by negotiation between the Company and the Underwriters.

The common shares of the Company (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSX-V**") under the symbol "PLZ". The TSX-V has conditionally approved the listing of the Offered Shares to be distributed under this short form prospectus. Listing will be subject to Plazacorp fulfilling all the requirements of the TSX-V. On September 7, 2011, being the last day on which the Common Shares traded prior to the public announcement of the Offering, the closing price of the Common Shares on the TSX-V was \$4.45. Plazacorp is a corporation incorporated under the laws of the Province of New Brunswick. Plazacorp's head and registered office is located at 527 Queen Street, Suite 200, Fredericton, New Brunswick.

Price \$4.20 per Offered Share

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters’ Fee</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Offered Share	\$4.20	\$0.168	\$4.032
Total Offering ⁽³⁾	\$27,720,000	\$1,108,800	\$26,611,200

Notes:

- (1) The Offering Price of the Offered Shares was determined by negotiation between the Company and the Underwriters.
- (2) Before deducting expenses of the Offering estimated at \$400,000, which, together with the Underwriters’ fee, will be paid from the proceeds of the Offering.
- (3) The Company has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part and at any time up to 30 days after the closing of the Offering to purchase up to an additional 990,000 Common Shares on the same terms as set forth above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters’ fee and net proceeds to the Company will be \$31,878,000, \$1,275,120 and \$30,602,880, respectively (before deducting expenses of the Offering estimated at \$400,000). This short form prospectus qualifies the distribution of the Over-Allotment Option and the Common Shares issuable on the exercise thereof. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this short form prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

<u>Underwriters’ Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	990,000 Common Shares	At any time up to 30 days after the closing of the Offering	\$4.20 per Common Share

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters by Goodmans LLP on behalf of the Company and by Stikeman Elliott LLP on behalf of the Underwriters.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about September 27, 2011 (the “**Closing Date**”). Registrations and transfers of Offered Shares will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Beneficial owners of Offered Shares will not, except in certain limited circumstances, be entitled to receive physical certificates evidencing their ownership of Offered Shares.

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Offered Shares at prices lower than that stated above. See “Plan of Distribution”.**

CIBC World Markets Inc. and Scotia Capital Inc. are affiliates of banks that are lenders to the Company or its subsidiaries under four separate facilities (the “**Credit Facilities**”). Certain of the Underwriters, including RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Desjardins Securities Inc. are affiliates of banks that are lenders to Plazacorp, whose indebtedness is secured by specific properties. Accordingly, the Company may be considered to be a “connected issuer” of RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Desjardins Securities Inc. within the meaning of applicable Canadian securities legislation. See “Plan of Distribution – Relationship Between the Company and the Underwriters”.

An investment in the Offered Shares is subject to a number of risks that should be carefully considered by a prospective investor. Prospective investors should carefully review the risk factors referred to under “Risk Factors” before purchasing Offered Shares.

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GENERAL MATTERS

Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Company has not authorized anyone to provide different information. If an investor is provided with different or inconsistent information, he or she should not rely on it. The Company is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. Readers should not assume that the information contained or incorporated by reference in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus or the respective dates of the documents incorporated by reference herein. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

References to dollars or “\$” are to Canadian currency. Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Plazacorp at 527 Queen Street, Suite 200, Fredericton, New Brunswick, E3B 1B8, Attention: Secretary (telephone: 506-451-1826). In addition, copies of the documents incorporated by reference herein may be obtained from the securities commissions or similar authorities in the provinces of Canada online at www.sedar.com.

The following documents or portions of documents, filed with the securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual audited consolidated financial statements of the Company as at and for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors’ report thereon (the “**Annual Financial Statements**”);
- (b) management’s discussion and analysis of financial condition and results of operations of the Company for the years ended December 31, 2010 and 2009;
- (c) the annual information form of the Company dated March 31, 2011 for the year ended December 31, 2010 (the “**AIF**”);
- (d) the management information circular dated April 4, 2011 relating to the annual general meeting of shareholders of the Company held on June 15, 2011;
- (e) material change report of the Company dated June 16, 2011 filed in connection with the internalization of property management;
- (f) the unaudited condensed interim consolidated financial statements of the Company as at and for the three and six-months ended June 30, 2011 and 2010, as amended, together with the notes thereto (the “**Interim Financial Statements**”); and
- (g) management’s discussion and analysis of financial condition and results of operations of the Company for the six-months ended June 30, 2011 and 2010 (the “**Q2 MD&A**”).

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* which are filed by the Company with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other

information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, provided that the Common Shares are listed at all relevant times on a “designated stock exchange” within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) (which includes Tier 1 of the TSX-V), the Common Shares are qualified investments for a trust governed by a registered retirement savings plan (a “**RRSP**”), a registered retirement income fund (a “**RRIF**”), registered disability savings plans, deferred profit sharing plans, registered education savings plans and a tax-free savings account (a “**TFSA**”), each as defined in the Tax Act. However, the holder of a TFSA will be subject to a penalty tax on the Common Shares held in the TFSA if such Common Shares are a “prohibited investment” for the purposes of the Tax Act. Common Shares will generally be a “prohibited investment” if the holder of the TFSA does not deal at arm’s length with the Company for the purposes of the Tax Act or the holder of the TFSA has a “significant interest” (as defined in the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm’s length for the purposes of the Tax Act. Such holders are urged to consult their own tax advisors.

On June 6, 2011, the Minister of Finance (Canada) announced certain tax proposals containing proposed amendments to the Tax Act that included extending the penalty tax applicable to a “prohibited investment” held in a TFSA to also apply to trusts governed by a RRSP or a RRIF, and draft legislative proposals implementing these changes were released on August 16, 2011 (the “**2011 Budget Proposals**”). Under the 2011 Budget Proposals, the Common Shares would generally be a “prohibited investment” if the holder of the RRSP or RRIF does not deal at arm’s length with the Company for the purposes of the Tax Act or the holder of the RRSP or RRIF has a “significant interest” (as defined in the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm’s length for the purposes of the Tax Act. No assurance can be given that the 2011 Budget Proposals will be enacted in the form proposed, or at all. Nonetheless, holders affected by the 2011 Budget Proposals are urged to consult their own tax advisors.

FORWARD-LOOKING STATEMENTS

This short form prospectus contains forward-looking statements which reflect management’s expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the Company. The words “plans”, “expects”, “does not expect”, “scheduled”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projects”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might”, “occur”, “be achieved” or “continue” and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this short form prospectus include, but are not limited to, statements with respect to: (i) the Offering, including the Company’s and the Underwriters’ ability to complete the Offering; (ii) net proceeds expected to be raised from the Offering and use of proceeds from the Offering; (iii) the expected tax treatment of the Company’s dividends to shareholders; (iv) the possible conversion of the Company to a real estate investment trust; (v) the possible listing of the Company’s securities on the Toronto Stock Exchange (the “**TSX**”); (vi) the strategy of the Company; (vii) the hypothetical impact to property net operating income of a decrease in occupancy; and (viii) the Company’s intention to pay dividends.

Forward-looking statements are necessarily based on the Company’s current views with respect to future events and are subject to certain risks, uncertainties, estimates and assumptions, which, while considered reasonable by management of the Company as of the date of this short form prospectus, may cause the actual results and performance of the Company to differ materially from the forward-looking statements contained herein or in certain documents incorporated by reference herein. Among other things, these risks may relate to the business of the company generally, competition, interest rate fluctuations, debt financing and refinancing, restrictive covenants, reliance on external sources of capital, credit, lease roll-over and occupancy, development and acquisitions, joint venture investments, environmental matters, litigation, potential undisclosed liabilities associated with acquisitions, availability of cash flow, capital expenditures and dividends, current economic conditions, reliance on anchor

tenants, economic stability of local markets, specific lease considerations, ownership of ground lease properties, potential conflicts of interest, the internalization of management, liquidity, uninsured losses, key personnel, operational matters, taxation of the Company, changes in legislation and administrative policy, dilution, the market for Common Shares and Common Share prices and disclosure controls and procedures on internal control over financial reporting. The Company's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, economic, capital market and competitive real estate conditions.

When relying on forward-looking statements to make decisions, the Company cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors". These forward-looking statements are made as of the date of this short form prospectus and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

PLAZACORP RETAIL PROPERTIES LTD.

Overview

Plazacorp Retail Properties Ltd. is a mutual fund corporation incorporated under the laws of the Province of New Brunswick. The head office and principal place of business of the Company is located at 527 Queen Street, Suite 200, Fredericton, New Brunswick, E3B 1B8.

The Company is one of Eastern Canada's leading retail property owners and developers. Plazacorp acquires, develops and redevelops unenclosed and enclosed retail real estate throughout Atlantic Canada, Québec and Ontario, which are predominately occupied by national tenants. The Company's portfolio at June 30, 2011 includes interests in 112 properties comprising over 5.1 million square feet and additional lands held for development. These include properties directly held by Plazacorp, its subsidiaries and through joint ventures. Plazacorp's strategy is to develop or acquire properties tenanted by national retailers, with a focus on retailers in the consumer staples market segment. The Company's execution of this strategy has produced a portfolio that is currently approximately 90% occupied by national retailers, providing investors with stable cash flow. Plazacorp intends to focus its investments on retail real estate in Canada and expects that unenclosed single tenant and multi-tenant retail centres in primary, secondary or tertiary markets in Central and Eastern Canada will constitute the majority of its acquisition and development activity over the near to medium term.

For the past few years, the Company's growth was primarily generated by the development or redevelopment of retail properties. Plazacorp currently owns interests in nine projects under development and three land assemblies in progress which, upon completion, are expected to be accretive to the Company's earnings. The following properties, in which the Company currently owns an interest, are under active development or active planning and are anticipated to become income producing at various points over the next three years as follows:

Properties under Development	Property Type	Status	Square Footage (at 100%)	Ownership	Occupied or Committed at June 30, 2011	Income Producing
90 Blvd. Tache Ouest, Montmagny, QC	Strip Plaza	In Planning ⁽²⁾	6,000 ⁽¹⁾	50%	n/a	1-3 years
Bourque & Haut-Bois, Sherbrooke, QC	Strip Plaza	In Planning ⁽²⁾	200,000 ⁽¹⁾	50%	n/a	1-3 years
Jean Talon, Montreal, QC	Strip Plaza	In Planning ⁽²⁾	15,000 ⁽¹⁾	35%	n/a	1-3 years
Magog, Magog, QC	Strip Plaza	In Planning ⁽²⁾	90,000 ⁽¹⁾	50%	n/a	1-3 years

<u>Properties under Development</u>	<u>Property Type</u>	<u>Status</u>	<u>Square Footage (at 100%)</u>	<u>Ownership</u>	<u>Occupied or Committed at June 30, 2011</u>	<u>Income Producing</u>
Bedford Commons, 2 Bedford, NS	Strip Plaza	Near Completion	105,157	100%	68%	Q3 11
Commercial Street Plaza, 2, New Minas, NS	Strip Plaza	In Planning ⁽²⁾	10,000 ⁽¹⁾	100%	n/a	1-3 years
Spencer Drive, Charlottetown, PE	Strip Plaza	In Construction	101,881	100%	62%	Q2 12
Manotick, Manotick, ON	Single Use	In Planning ⁽²⁾	26,231	50%	n/a	1-3 years
Stavanger Drive, St. John's, NL	Strip Plaza	Near Completion	50,563	90%	100%	Q3 11

Notes:

(1) Approximate square footage.

(2) All are appropriately zoned for the intended use.

There are three other conditional land assemblies that are under purchase agreements and subject to due diligence, which would represent 93,000 additional square feet at completion (at the Company's ownership percentage).

Plazacorp also benefits from growth stemming from contractual rental rate increases from existing tenants' leases that generally grow at or above the expected rate of inflation.

Plazacorp has a proven history of dividend growth, having increased its dividend nine times over the past nine years, representing a compounded annual growth rate of approximately 13% over this period.

The Company is considering the possibility of converting from a mutual fund corporation to a real estate investment trust ("REIT") structure. The Company believes that a REIT structure could be beneficial for existing shareholders. No assurances can be given that this will occur and any contemplated conversion will require many approvals including tax and other regulatory, board and shareholder approvals.

The Company is also considering the possibility of moving its listing from the TSX-V to the TSX. Any such move will require review of its disclosure controls and procedures and internal controls under TSX certification rules, as well as appropriate approvals including regulatory and board approvals.

For further information regarding the Company and its properties and business see the AIF and other documents incorporated by reference in this short form prospectus available at www.sedar.com under the Company's profile.

Strategy

Plazacorp's principal goal is to deliver a reliable and growing yield to shareholders from a diversified portfolio of retail properties. To achieve this goal the Company's board of directors has set acquisition and development criteria of a minimum cash yield (unlevered yield) equal to 100 basis points above the mortgage constant for a 10 year mortgage at prevailing rates and assuming a 25 year amortization period.

The Company strives to:

- maintain access to cost effective sources of debt and equity capital to finance the acquisition of new developments;
- acquire or develop properties at a cost that is consistent with the Company's targeted returns on investment;
- maintain high occupancy rates on existing properties while sourcing tenants for properties under development and future acquisitions; and
- diligently manage its properties to ensure tenants are able to focus on their businesses.

The Company invests in the following property types:

- new properties developed on behalf of existing clients or in response to demand;
- well located but significantly amortized shopping malls and strip plazas to be redeveloped; and
- existing properties that will provide stable recurring cash flows with opportunity for growth.

Management intends to achieve Plazacorp's goals by:

- acquiring or developing high quality properties with the potential for increases in future cash flows;
- focusing on property leasing, operations and delivering superior services to tenants;
- managing properties to maintain high occupancies and staggering lease maturities appropriately;
- increasing rental rates when market conditions permit;
- achieving appropriate pre-leasing prior to commencing construction;
- managing debt to obtain both a low cost of debt and a staggered debt maturity profile;
- matching, as closely as practical, the weighted average term to maturity of mortgages to the weighted average lease term;
- retaining sufficient capital to fund capital expenditures required to maintain the properties well;
- raising capital where required in the most cost-effective manner; and
- periodically reviewing the portfolio to determine if opportunities exist to re-deploy equity from slow growth properties into higher growth investments.

CONSOLIDATED CAPITALIZATION OF THE COMPANY

The following table sets forth the Company's consolidated capitalization as at June 30, 2011 and as adjusted to give effect to the Offering and the use of proceeds therefrom, and all other material changes since such date. The following should be read with the Interim Financial Statements and the Q2 MD&A incorporated by reference in this short form prospectus.

	As at June 30, 2011 (in thousands)	Pro Forma As at June 30, 2011 as adjusted to give effect to the Offering (in thousands) ⁽¹⁾
Indebtedness		
Convertible debentures.....	\$41,885	\$41,885
Mortgage bonds	\$15,299	\$5,036
Mortgages.....	\$249,737	\$249,737
Operating facility ⁽²⁾	\$4,189	-
Notes payable	\$2,284	\$784
Shareholders' Equity		
Common shares and retained earnings	\$146,742	\$172,953
Non-controlling Interests⁽³⁾	\$11,410	\$11,410
Total Capitalization	\$471,546	\$481,805

Notes:

(1) Excludes the potential effect of the Over-Allotment Option.

(2) As at June 30, 2011, the Company had drawn \$4.2 million on its operating facility. A portion of the net proceeds of the Offering will be used to repay amounts currently outstanding on the Company's operating facility, which amounts are more than the amounts outstanding as at June 30, 2011.

- (3) Represents minority interests in certain entities owned by the Company.

USE OF PROCEEDS

The estimated net proceeds to Plazacorp from its sale of the Offered Shares, after deducting the Underwriters' fee of \$1,108,800 and the estimated expenses of this Offering of \$400,000, but before giving effect to any exercise of the Over-Allotment Option, will be approximately \$26,211,200. The Company intends to use such net proceeds primarily for repayment of maturing mortgage bonds, repayment of other debt and funding current and future developments, with the remainder, if any, for general corporate purposes.

The following table provides a breakdown of the intended use of the estimated net proceeds of the Offering:

Purpose	Allocation of Net Proceeds ^{(1) (2)} (in millions)	Anticipated Timeline for Use of Net Proceeds
Repay Series III mortgage bonds ⁽³⁾	\$6.9	Bond matures on September 30, 2011
Repay promissory notes ⁽⁴⁾	\$1.5	September 30, 2011
Repay outstanding balance on operating line ⁽⁴⁾	\$6.0 – \$8.0	On closing of the Offering
Repay Series IV mortgage bonds	\$3.0	Bond matures on June 30, 2012
Equity financing of future developments and redevelopments	\$8.0 – \$9.0	During the 12 to 18 months following the closing of the Offering
Total	\$25.4 – \$28.4	

Notes:

- (1) Assumes that the Over-Allotment Option is not exercised. Any net proceeds from the exercise of the Over-Allotment Option will be used to fund future developments and for general corporate purposes.
- (2) Insiders, associates and affiliates of Plazacorp will receive less than 10% of the net proceeds from the sale of the Offered Shares.
- (3) Represents the current amount outstanding. The outstanding balance as at June 30, 2011 was \$7.3 million.
- (4) The proceeds of this indebtedness were used by the Company in the ordinary course to fund working capital requirements.

PLAN OF DISTRIBUTION

General

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriters have severally agreed to purchase on September 27, 2011, or such other date as may be agreed upon, an aggregate of 6,600,000 Offered Shares at a purchase price of \$4.20 per Offered Share, for an aggregate gross consideration of \$27,720,000, payable in cash to the Company, in accordance with the terms of the Underwriting Agreement, by the Underwriters against delivery of the Offered Shares on the Closing Date. The Underwriters will receive an aggregate fee of \$1,108,800 (or 4% of the gross proceeds of the Offering) to be paid by the Company. The Offering Price was determined by negotiation between the Company and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. The Underwriters are entitled under the Underwriting Agreement to indemnification by the Company against certain liabilities and expenses.

The TSX-V has conditionally approved the listing of the Offered Shares to be distributed under this short form prospectus and the Common Shares issuable upon the exercise of the Over-Allotment Option. Listing will be subject to the Company fulfilling all the requirements of the TSX-V. The Offered Shares shall be identical in their terms to all other Common Shares of the Company.

The Underwriting Agreement provides that the Company will not create, issue or sell or agree or announce any such agreement to create, issue or sell, directly or indirectly, except in certain limited circumstances, any equity securities or other securities convertible into equity securities, without the prior written consent of RBC Dominion Securities

Inc., on behalf of the Underwriters, for a period of 90 days following the Closing Date, such consent not to be unreasonably withheld or delayed.

This Offering is being made in each of the provinces of Canada. The Offered Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States. Each Underwriter has agreed that, except as permitted under the Underwriting Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Offered Shares at any time within the United States, except pursuant to an exemption from registration under the U.S. Securities Act.

The Underwriting Agreement permits the Underwriters, through their registered U.S. broker-dealer affiliates, to (i) offer and resell Offered Shares, purchased from the Company, in the United States to “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”) in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A; or (ii) to offer Offered Shares to certain “accredited investors” as substituted purchasers that satisfy the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act to whom the Company may sell Offered Shares in transactions that comply with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506 of Regulation D thereunder, and in each case in accordance with and similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Shares that are sold in the United States will be restricted securities within the meaning of Rule 144 of the U.S. Securities Act and the certificates representing the Offered Shares that are sold in the United States will contain a legend to the effect that the Offered Shares have not been registered under the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares in the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

Price Stabilization and Passive Market Making

The Underwriters propose to offer the Offered Shares initially at the Offering Price of \$4.20 per Offered Share. After the Underwriters have made a reasonable effort to sell all of the Offered Shares offered under this short form prospectus at that price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the by-laws and rules of applicable regulatory authorities and the TSX-V, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. These activities, if commenced, may be interrupted or discontinued at any time.

Over-Allotment Option

Plazacorp has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to 990,000 additional Common Shares at the initial Offering Price. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' fee and the net proceeds to the Company, before deducting the expenses of the Offering, will be \$31,878,000, \$1,275,120 and \$30,602,880, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and up to 990,000 Common Shares to be sold by the Underwriters upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this short form prospectus, regardless of whether the Underwriters' over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Book-Based System

A book-based system global unit certificate evidencing the Offered Shares will be issued to the Underwriters for deposit with CDS on the Closing Date. The global certificate representing the Offered Shares will be held by, or on behalf of, CDS as custodian of such certificate for CDS participants, and registered in the name of CDS. The name in which a global certificate is issued is for the convenience of the book-based system only and will have no bearing on the beneficial ownership of the Offered Shares. CDS participants include securities brokers and dealers, banks and trust companies. An investor who purchases Offered Shares will therefore receive only a customer confirmation from the registered dealer who is a CDS participant and through whom the Offered Shares are purchased.

Relationship Between the Company and the Underwriters

Certain of the Underwriters, including RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Desjardins Securities Inc. are affiliates of banks that are lenders to Plazacorp. As at September 19, 2011, Plazacorp was indebted to the banks in an aggregate amount of approximately \$62 million (at the Company's consolidated percentage), which debt is secured by specific properties. In addition, CIBC World Markets Inc. and Scotia Capital Inc. are affiliates of banks that are lenders to Plazacorp or its subsidiaries pursuant to the Company's Credit Facilities. The Company's Credit Facilities consist of: (i) a revolving operating line of credit for up to \$8.0 million (\$4.2 million outstanding as of June 30, 2011, with approximately \$5.3 million currently outstanding), which fluctuates depending on the specific assets pledged as security, at a rate of prime plus 2.25%, maturing November 30, 2011 secured by five properties; (ii) a secured \$20.0 million development line of credit (\$7.9 million outstanding as of June 30, 2011, with approximately \$1.7 million currently outstanding) at a rate of prime plus 1.25% or BA plus 2.75%, maturing July 31, 2012; (iii) a secured \$15.0 million development line of credit (\$4.5 million outstanding as of June 30, 2011, with approximately \$6.7 million currently outstanding) at a rate of prime plus 1.00% or BA plus 2.50%, maturing July 31, 2012; and (iv) a \$500,000 letter-of-credit facility (\$500,000 outstanding as of June 30, 2011, with \$500,000 currently outstanding) at a rate of 1.5%, secured by Personal Property Security Act charges in various provinces maturing September 30, 2011. Consequently, the Company may be considered a connected issuer of RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Desjardins Securities Inc. for the purposes of the securities regulations of certain Canadian provinces. As of the date of this short form prospectus, the Company is in compliance with the terms of its indebtedness. Since the date the indebtedness was incurred, the financial position of Plazacorp and the value of the collateral granted as security for the indebtedness have not materially changed. The Underwriters have advised that the decision to underwrite the Offering was made independently of the banks and the banks had no influence as to the determination of the terms of the distribution. The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters' fee payable by the Company.

DESCRIPTION OF SHARE CAPITAL

General

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series (the "**Preferred Shares**"). As at the date hereof, there are 52,220,361 Common Shares issued and outstanding, and no Preferred Shares are issued and outstanding.

Common Shares

The holders of Common Shares are entitled to dividends if, as and when declared by the board of directors. They are entitled to one vote per share at meetings of the shareholders of the Company and upon liquidation, to receive such assets of the Company as are distributable to the holders of Common Shares. Subject to the provisions of subsection 33(2) of the *Business Corporations Act* (New Brunswick), each holder of Common Shares may, at his option and in the manner hereinafter provided, require that the Company redeem at anytime all or, from time to time, any part of the Common Shares held by such holder and that the Company pay, for each share to be redeemed, the Retraction Price (as defined in the Company's AIF) thereof together with all declared and unpaid dividends thereon.

In the case of redemption of Common Shares, the holder thereof must surrender the certificate or certificates representing such Common Shares at the registered office of the Company or the transfer agent, accompanied by a notice in writing signed by such holder requiring the Company to redeem all or a specified number of the Common Shares represented thereby. As soon as practicable following the receipt of said notice, but not more than 10 days thereafter, the Company must pay or cause to be paid to the order of the registered holder of the Common Shares to be redeemed, the Retraction Price thereof. If only a part of the shares represented by any certificate are being redeemed at any time in a fiscal year of the Company, a new certificate for the balance will be issued on or before the end of the fiscal year, at the expense of the Company.

The Retraction Price may be fully paid and satisfied, at the option of the Company, by cash payment or by the issuance by the Company of a promissory note, which shall bear interest at a rate equal to the prescribed rate of interest calculated pursuant to paragraph 4301c of the regulations promulgated under the Tax Act in effect at the time of its issue and will mature and be fully repaid at the end of two years after issuance. The terms and conditions of such promissory notes will also provide that in all circumstances the promissory notes may be prepaid without penalty.

Preferred Shares

The Company is also authorized to issue an unlimited number of Preferred Shares, issuable in series, none of which are currently issued and outstanding. The Preferred Shares of each series, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company or any other distribution of the assets of the Company among its shareholders for the purposes of winding up its affairs, rank on a parity with the Preferred Shares of every other series and are entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares. Unless the board of directors otherwise determines in articles of amendment designating a series, holders of shares of a series of Preferred Shares shall not be entitled to receive notice of or vote at any meeting of shareholders.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible into Common Shares during the 12 months preceding the date hereof:

<u>Date of Issue</u>	<u>Issuance Type</u>	<u>Number of Securities Issued</u>	<u>Price per Security (\$)</u>
September 24, 2010	Exercise of Stock Options	10,000	2.75
September 27, 2010	Exercise of Stock Options	30,000	2.75
November 15, 2010	Dividend Reinvestment Plan	226,436	3.37
December 23, 2010	Conversion of Debentures	263,157	3.80
January 4, 2011	Conversion of Debentures	32,352	3.40
January 4, 2011	Conversion of Debentures	21,052	3.80
January 6, 2011	Conversion of Debentures	92,105	3.80
February 11, 2011	Exercise of Stock Options	20,000	2.75
February 14, 2011	Dividend Reinvestment Plan	146,766	4.26
March 3, 2011	Conversion of Debentures	1,250	4.00
March 15, 201	Conversion of Debentures	59,500	4.00

Date of Issue	Issuance Type	Number of Securities Issued	Price per Security (\$)
April 1, 2011	Conversion of Debentures	25,000	4.00
April 8, 2011	Conversion of Debentures	25,000	4.00
April 8, 2011	Conversion of Debentures	29,411	3.40
May 2, 2011	Conversion of Debentures	93,750	4.00
May 13, 2011	Conversion of Debentures	26,500	4.00
May 16, 2011	Dividend Reinvestment Plan	79,609	4.31
May 18, 2011	Conversion of Debentures	225,882	3.40
May 18, 2011	Conversion of Debentures	85,526	3.80
May 18, 2011	Conversion of Debentures	76,250	4.00
May 20, 2011	Conversion of Debentures	12,500	4.00
June 7, 2011	Conversion of Debentures	6,250	4.00
June 9, 2011	Conversion of Debentures	7,500	4.00
June 15, 2011	Conversion of Debentures	27,500	4.00
June 16, 2011	Conversion of Debentures	87,500	4.00
June 20, 2011	Conversion of Debentures	358,750	4.00
June 24, 2011	Conversion of Debentures	6,250	4.00
June 28, 2011	Conversion of Debentures	62,500	4.00
June 30, 2011	Conversion of Debentures	2,500	4.00
July 7, 2011	Conversion of Debentures	75,000	4.00
July 7, 2011	Conversion of Debentures	11,764	3.40
July 11, 2011	Conversion of Debentures	150,000	4.00
July 14, 2011	Conversion of Debentures	6,250	4.00
August 2, 2011	Conversion of Debentures	140,250	4.00
August 15, 2011	Dividend Reinvestment Plan	37,138	4.16

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares are listed and posted for trading on the TSX-V under the trading symbol “PLZ”. The following table shows the monthly range of high and low prices per Common Share and total monthly volumes traded on the TSX-V during the 12 months preceding the date hereof.

Month	Price per Common Share Monthly High (\$)	Price per Common Share Monthly Low (\$)	Total Monthly Volume (Common Shares)
September 2010.....	3.50	3.26	105,739
October 2010.....	3.55	3.25	163,745
November 2010.....	3.70	3.27	207,359
December 2010.....	4.30	3.60	189,689
January 2011.....	5.00	4.07	347,985
February 2011.....	4.45	4.07	88,649
March 2011.....	4.45	4.11	46,464
April 2011.....	4.75	4.25	185,746
May 2011.....	4.65	3.91	139,374
June 2011.....	4.65	4.15	92,529
July 2011.....	4.75	4.25	64,159
August 2011.....	4.50	3.99	127,871

Month	Price per Common Share Monthly High (\$)	Price per Common Share Monthly Low (\$)	Total Monthly Volume (Common Shares)
September 2011 (until September 19).....	4.45	4.19	316,075

On September 7, 2011, being the last day on which the Common Shares traded prior to the public announcement of the Offering, the closing price of the Common Shares on the TSX-V was \$4.45.

DIVIDEND POLICY

On November 15, 2002, Plazacorp commenced paying a dividend and since that time, has announced annual dividend increases each year. On June 15, 2011, the Company announced an increase to its annual dividend from 20.25¢ per Common Share to 21.0¢ per Common Share, payable in quarterly instalments of 5.25¢ per Common Share.

On July 4, 2011, the Company's board of directors approved its quarterly dividend of 5.25¢ per Common Share on all issued and outstanding Common Shares to be paid on August 15, 2011 to shareholders of record on July 15, 2011. Future dividends will depend on a number of factors, including current and expected operating cash flow, growth opportunities, and liquidity and no assurance can be provided on the amount of dividends, if any, to be paid in future quarters. See "Risk Factors".

The following table shows annual dividends paid by Plazacorp since 2003 (the first full year that Plazacorp paid dividends):

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011⁽¹⁾
Dividend per share annually	8.0¢	8.75¢	10.5¢	12.5¢	15.0¢	17.5¢	18.5¢	19.25¢	20.625¢

Notes:

- (1) Expected dividend to be paid for 2011. On June 15, 2011, the Company announced that its board of directors had approved an increase in its annual dividend from 20.25¢ per Common Share to 21.0¢ per Common Share.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Common Shares by an investor who acquires Common Shares pursuant to this short form prospectus. This summary is applicable to an investor who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is resident in Canada, deals at arm's length and is not affiliated with the Company, holds Common Shares as capital property and has not elected to compute its Canadian tax results in a currency other than Canadian dollars. Generally, Common Shares will be considered to be capital property to a holder provided the holder does not hold the Common Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain shareholders who might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to have their Common Shares, and all other "Canadian securities" owned or subsequently owned by such shareholders, treated as capital property by making an irrevocable election in accordance with the Tax Act.

This summary assumes that (i) the Common Shares will, at all material times, be listed on a designated stock exchange for the purposes of the Tax Act (which includes Tier 1 of the TSX-V), and (ii) the Company has qualified as a "mutual fund corporation" under the Tax Act continuously since it was established and will continue to so qualify at all material times. This summary is not applicable to any holder an interest in which would be a tax shelter investment for the purposes of the Tax Act. This summary does not deal with the mark-to-market rules in the Tax Act and investors that are "financial institutions" as defined in the Tax Act for purposes of these rules should consult their own tax advisors. As well, this summary does not deal with corporate investors that are "specified financial institutions" or "restricted financial institutions" (as defined in the Tax Act).

This summary is based on the facts set out in this short form prospectus, a certificate of the Company regarding certain factual matters, the current provisions of the Tax Act and the regulations thereunder, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). There can be no assurance that the Tax Proposals will be enacted in their current form, or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal, provincial, territorial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Common Shares. Moreover, the income and other tax consequences of acquiring, holding or disposing of Common Shares will vary depending on the investor's particular circumstances including the province or provinces in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Common Shares, based on their particular circumstances.

Taxation of the Company

This summary is based on the assumption that the Company will qualify at all times as a "mutual fund corporation" within the meaning of the Tax Act. As a mutual fund corporation, the Company will be entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. Also, as a mutual fund corporation, the Company will maintain a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends ("**capital gains dividends**") which will be treated as capital gains in the hands of the shareholders of the Company. See below under "– Taxation of Shareholders". In certain circumstances where the Company has recognized a capital gain in a taxation year, it may elect not to pay capital gains dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions.

In computing income for a taxation year, the Company will be required to include in income the amount of all dividends, if any, received by it in the year. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations.

As a mutual fund corporation (which is not an "investment corporation" as defined in the Tax Act), the Company will generally be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on the amount of the taxable dividends received by the Company during the year to the extent such dividends were deductible in computing the Company's income for the year. However, any Part IV tax that is paid will be fully refunded to the Company on the payment by the Company of sufficient taxable dividends (other than capital gains dividends ("**Ordinary Dividends**")) in the year or in subsequent taxation years, in accordance with the provisions of the Tax Act in that regard.

To the extent that the Company earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest, the Company will be required to include such amounts in income in accordance with the rules of the Tax Act and no refund will be available in respect thereof.

The Company will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing the Common Shares. Such issue expenses, including the Underwriters' fee, will be deductible by the Company ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. Generally, the Company will also be entitled to deduct reasonable administrative and other ongoing expenses incurred by it for the purposes of earning income. Any non-capital losses incurred by the Company may generally be carried forward or back in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Company.

Taxation of Shareholders

The amount of any capital gains dividend received by a shareholder from the Company on a Common Share will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the shareholder in which the capital gains dividend is received.

A shareholder who is an individual (other than certain trusts) will be required to include in income any Ordinary Dividends received or deemed to be received on the Common Shares and will be subject to the gross-up and dividend tax credit rules under the Tax Act normally applicable to taxable dividends received from a taxable Canadian corporation. The Tax Act provides an enhanced dividend gross-up and tax credit for “eligible dividends” (as defined in the Tax Act) received from a corporation resident in Canada which are so designated by the corporation paying the dividend. Corporate shareholders will be required to include in income any Ordinary Dividends received or deemed to be received on the Common Shares and will generally be entitled to deduct an equivalent amount in computing taxable income.

A shareholder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on Ordinary Dividends received on Common Shares, to the extent that such dividends are deductible in computing the corporation’s taxable income.

Upon the redemption, retraction or other disposition of a Common Share, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of such share exceed (or are less than) the aggregate of the shareholder’s adjusted cost base of such share and any reasonable costs of disposition. Where the shareholder is a corporation, a trust of which a corporation is a beneficiary or a partnership of which a corporation is a member, in certain circumstances the amount of any capital loss otherwise determined may be reduced by the amount of Ordinary Dividends previously received on the Common Share. These rules may also apply where a trust or partnership is a member of a partnership or a beneficiary of a trust that owns Common Shares.

One-half of any capital gain (a taxable capital gain) must be included in computing the shareholder’s income and one-half of any capital loss (an allowable capital loss) may be deducted from taxable capital gains realized by the shareholder in the year of disposition. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. A shareholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for an additional refundable tax of 6 $\frac{2}{3}$ % on investment income for the year, which is defined to include taxable capital gains. Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to alternative minimum tax under the Tax Act.

RISK FACTORS

An investment in Common Shares should be considered speculative. Prospective investors should carefully consider the risk factors set out below and the other information contained in this short form prospectus or incorporated by reference herein, including the historical financial statements of the Company and the notes thereto, prior to making an investment in Common Shares. Such risk factors could materially affect the Company’s future financial results and could cause actual results and events to differ materially from those described in forward-looking statements and forward-looking information relating to the Company or the business, property or financial results, any of which could cause investors to lose part or all of their investment in the Common Shares. Prospective investors should consult with their professional advisors to assess an investment in the Company’s securities.

Business Risk

All property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions and local market circumstances. Local business conditions such as oversupply of space or a reduction in demand for space particularly affect property investments. Because Plazacorp’s investments consist mainly of retail real estate interests in Ontario, Québec and the Atlantic provinces, it will be subject to risks inherent in investments in a single industry and will not benefit from diversification by commercial property type or geographical diversification west of Ontario. The underlying value of its properties and

Plazacorp's income will depend on the ability of Plazacorp to maintain or increase revenues from its properties and to generate income in excess of operating expenses. Income may be affected by many factors, including changes in interest rates and in the availability, cost and terms of mortgage financing, the impact of present or future environmental legislation and compliance with environmental laws, the ongoing need for capital improvements, the creditworthiness of tenants, the ability of tenants to pay rent particularly in single-tenant properties, changes in real estate assessed values and taxes payable on such values and other operating expenses, changes in governmental laws, regulations, rules and fiscal policies, changes in zoning laws, civil unrest, acts of God, including earthquakes and other natural disasters and acts of terrorism or war (which may result in uninsured losses). Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing income. Finally, governments can expropriate or take real property for less compensation than an owner believes a property is worth. Most of these factors are beyond Plazacorp's control, however, management attempts to manage some of these risks through geographic and retail asset class diversification in the portfolio. At June 30, 2011, the Company held interests in 112 properties spread geographically among six provinces in Canada.

Competition

Plazacorp competes with numerous developers, owners and operators in the commercial retail real estate industry, some of which own or may in the future own, facilities that compete directly with Plazacorp's properties, and some of which may have greater capital resources.

If Plazacorp's competitors build new facilities that compete with Plazacorp's properties or offer space at rental rates below current market rates or below the rental rates that Plazacorp charges its tenants, Plazacorp may lose existing and potential tenants and it may be pressured to discount its rental rates below those it would otherwise charge in order to retain tenants. As a result, Plazacorp's rental revenues may decrease, which could impair Plazacorp's ability to satisfy its debt service obligations and to pay dividends to shareholders.

Interest Rate, Financing and Refinancing Risk

Plazacorp has incurred and will continue to incur indebtedness in connection with acquisitions, including by way of mortgage loans and lines of credit. Although a portion of the cash flow generated by income-producing properties will be devoted to servicing such debt, there can be no assurance that Plazacorp will continue to generate sufficient cash flow from operations to meet required interest and principal payments.

Plazacorp is subject to the risks associated with debt financing including the risk that cash flow from operations will be insufficient to meet required payments of principal and interest, that existing debt will not be able to be refinanced or that terms of such refinancing will not be as favourable to Plazacorp as existing debt and that necessary capital expenditures for such purposes as development, renovations and other improvements will not be able to be financed on favourable terms or at all. In addition, Plazacorp is subject to the risk that its interest expense may increase on the refinancing of existing indebtedness or on any portion of its indebtedness that bears interest at floating rates if interest rates increase, which could have a material adverse effect on the results of operations of Plazacorp and its ability to pay dividends to shareholders.

In order to minimize this risk, Plazacorp attempts to diversify the term structure of its debt so that in no one year a disproportionate amount of its debt matures. The Company mitigates interest rate risk by maintaining the majority of its debt at fixed rates. At June 30, 2011, approximately 95% of the Company's mortgages are at fixed rates and approximately 5% are at floating rates. Floating rate debt is typically used for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. If market conditions warrant, the Company may attempt to renegotiate some of its existing debt to take advantage of lower interest rates. Management remains confident that the approximately \$10.4 million of debt maturing during the remainder of 2011 will be financed from the proceeds of the Offering or refinanced as they come due.

Restrictive Covenants

Mortgage indebtedness and/or other credit facilities obtained by Plazacorp may contain covenants, including limitations on Plazacorp's ability to incur secured and unsecured indebtedness, sell all or substantially all of its assets and engage in mergers and consolidations and various acquisitions. In addition, mortgage indebtedness and

other credit facilities may contain limitations on Plazacorp's ability to transfer or encumber the mortgaged properties without lender consent. Certain indebtedness of Plazacorp contains cross default provisions and certain of Plazacorp's properties serve as collateral for more than one loan. These provisions may restrict Plazacorp's ability to pursue business initiatives or acquisition transactions that may be in its best interest. They also may prevent Plazacorp from selling properties at times when, due to market conditions, it may be advantageous to do so. In addition, failure to meet any of the covenants could cause an event of default under, and/or acceleration of, some or all of Plazacorp's indebtedness, which would have an adverse effect on Plazacorp.

Reliance on External Sources of Capital

Plazacorp relies on third-party sources of capital to fund acquisitions, developments and ongoing operations. Third party sources of capital include debt and equity capital, which may or may not be available on favourable terms, if at all. Plazacorp's access to third-party sources of capital depends on a number of things, including the current state of capital markets, the market's perception of Plazacorp's growth potential and its current and potential future earnings. If Plazacorp is unable to obtain third-party sources of capital, it may not be able to acquire or develop assets when strategic opportunities exist, or satisfy its debt obligations.

Credit Risk

Plazacorp is exposed to credit risk arising from the possibility that tenants may be unable to fulfill their lease commitments. Management mitigates this risk by ensuring that Plazacorp's tenant mix is diversified and heavily weighted to national tenants and by ensuring any significant individual revenue exposures are to tenants of significant credit worthiness. Plazacorp also maintains a portfolio that is diversified geographically so that exposure to local business is lessened.

At June 30, 2011, one tenant, Shoppers Drug Mart, represents approximately 25% of monthly gross rents in place. The top 10 tenants collectively represent, at June 30, 2011, approximately 54% of total revenues in place. National tenants represent approximately 90% of the in-place tenant base.

Lease Roll-Over and Occupancy Risk

Lease roll-over risk arises from the possibility that Plazacorp may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants. Management attempts to stagger Plazacorp's lease expiry profile so that the Company is not faced with a disproportionate amount of square footage of leases expiring in any one year. Management further mitigates this risk by maintaining a diversified portfolio mix both by retail asset type and geographic location and ensuring that the Company maintains a well staffed and highly skilled leasing department to deal with all leasing issues.

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of a penalty. Any cessation of occupancy by tenants could have an adverse effect on Plazacorp and could adversely impact Plazacorp's financial condition and results of operations and decrease the amount of cash available to pay dividends to shareholders. The majority of Plazacorp's leases are net leases, in which tenants reimburse Plazacorp fully for their share of property operating costs (subject to consumer price index adjustments in many cases) and realty taxes. Many of Plazacorp's operating costs and realty taxes are not reduced by vacancy. Certain costs such as utilities and janitorial costs would not decline with a decline in occupancy.

The hypothetical impact to property net operating income of a change in occupancy of 1.0% would be approximately \$319,000 per annum, which represents approximately 2% of funds from operations per Common Share prior to giving effect to this Offering. This estimate does not identify a particular cause of such changing occupancy and as a result, it does not reflect the actions management may take in relation to the changes. Plazacorp's principal management of occupancy risk is the skewing of tenancies towards national tenants, the signing of longer term leases and significant pre-leasing of development space.

Development and Acquisition Risk

Plazacorp's external growth prospects will depend in large part on identifying suitable development, redevelopment and acquisition opportunities, pursuing such opportunities, conducting necessary due diligence, consummating acquisitions (including obtaining necessary consents) and effectively operating the properties acquired or developed by Plazacorp. If Plazacorp is unable to manage its growth and/or integrate its acquisitions and developments effectively, its business, operating results and financial condition could be adversely affected. There can be no assurance as to the pace of growth through property acquisitions or that Plazacorp will be able to acquire assets on an accretive basis, and as such there can be no assurance that dividends to shareholders will increase in the future.

As Plazacorp acquires or develops additional properties, it will be subject to risks associated with managing new properties, including tenant retention and mortgage default. Furthermore, in acquiring or developing additional properties, Plazacorp will be subject to the risk of incurring capital costs before ensuring rental revenues will be earned from the project, which may cause lower returns until revenue is generated from tenants. As a result, acquired or developed properties may not meet expectations of operational or financial performance.

Plazacorp's obligations in respect of properties under construction or development, or which are to be constructed or developed, are subject to risks which include: (i) the potential insolvency of a third party contractor or developer (where the Company is not the contractor or developer); (ii) a third party contractor or developer's failure to use advanced funds in payment of construction costs; (iii) construction, leasing or other unforeseeable delays; (iv) cost overruns including interest expense; (v) the failure of tenants to occupy and pay rent in accordance with lease agreements, some of which may be conditional; (vi) the incurring of construction costs before ensuring rental revenues will be earned from the project; (vii) the timing for lease-up of newly developed or redeveloped properties; (viii) the rent levels achieved on newly developed or redeveloped space; and (ix) increases in interest rates during the period of the development.

Management strives to mitigate these risks where possible by entering into fixed price tendered contracts with general contractors, attempting to obtain long-term financing as early as possible during construction and pre-leasing development projects to the extent possible.

Joint Venture Investments

Plazacorp has joint venture investments and may in the future co-invest with third parties through joint ventures. In any such joint venture, Plazacorp may own less than a controlling interest, may not be in a position to exercise sole decision-making authority regarding the properties owned through joint ventures and may not fully manage those properties. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including: (i) the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions, which could result in additional financial demands on Plazacorp to maintain and operate such properties or repay the joint venture partner's share of property debt guaranteed by Plazacorp or for which Plazacorp will be liable and/or result in Plazacorp suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture decisions; (ii) the possibility that joint venture partners may have business interests or goals that are inconsistent with Plazacorp's business interests or goals and may be in a position to take actions contrary to Plazacorp's policies or objectives; (iii) the risk that such joint venture partners may, through their activities on behalf of or in the name of, the ventures may expose Plazacorp to liability; and (iv) the need to obtain the joint venture partner's consent with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property, which could make properties owned through joint ventures more difficult to finance or sell than wholly owned and managed interests.

Any disputes that may arise between Plazacorp and its joint venture partners could result in litigation or arbitration that could increase Plazacorp's expenses and distract its officers and/or directors from focusing their time and effort on Plazacorp's business. In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to rights of first refusal and certain of the joint venture agreements may provide for buy-sell, put, or similar arrangements. Such rights may be triggered at a time when Plazacorp may not desire to buy or sell but may be forced to do so. Such rights may also inhibit Plazacorp's ability to buy or sell an interest in a property or a joint venture within the time frame or otherwise on the basis Plazacorp would like.

Environmental Risk

Environmental legislation and regulations have become increasingly important in recent years. As an owner of interests in real property, Plazacorp is subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that Plazacorp could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further, liability may be incurred by Plazacorp with respect to the release of such substances from Plazacorp's properties to properties owned by third parties, including properties adjacent to Plazacorp's properties. The failure to remove or otherwise address such substances, if any, may adversely affect Plazacorp's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against Plazacorp by public or private parties by way of civil action.

While Plazacorp addresses non-material environmental issues in the normal course of its business, Plazacorp does not believe that there are any material environmental issues in connection with any of its properties and is not aware of any material non-compliance with environmental laws at any of its properties, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties.

Plazacorp's operating policy is to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments provide Plazacorp with some level of assurance about the condition of property, Plazacorp may become subject to liability for undetected contamination or other environmental conditions at its properties against which Plazacorp cannot insure, or against which Plazacorp may elect not to insure, which could negatively impact Plazacorp's financial condition and results of operations and decrease the amount of cash available for paying dividends to shareholders.

Plazacorp intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on Plazacorp's business, financial condition or results of operation and decrease the amount of cash available for paying dividends to shareholders.

Litigation Risk

From time-to-time, Plazacorp is involved in litigation and claims in relation to its properties. The Company may be required to devote significant resources, including management time and attention, to successfully resolve any disputes or litigation. Any such resolutions could involve the payment of damages or expenses which may be significant. In addition, any such resolutions could involve the Company agreeing to certain settlement terms that restrict the operations of its business. The Company believes that any liability that may arise from current or pending litigation would not have a material adverse effect on Plazacorp's financial performance.

Potential Undisclosed Liabilities Associated with Acquisitions

Plazacorp expects to acquire properties that are subject to existing liabilities, some of which may be unknown at the time of the acquisition or which Plazacorp may fail to uncover in its due diligence. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. Representations and warranties given by third parties to Plazacorp regarding acquired properties may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. While in some instances Plazacorp may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, Plazacorp may not have recourse to the vendor of the properties for any of these liabilities. Plazacorp does engage in significant due diligence on properties before it acquires them to help mitigate this risk.

Availability of Cash Flow, Capital Expenditures and Dividends

Although the Company intends to pay dividends on a quarterly basis, there can be no assurance regarding the amount and frequency of such dividends. Future dividend payments and the level thereof are subject to the discretion of the board of directors of Plazacorp and will depend upon numerous factors, including profitability, fluctuations in working capital, the sustainability of margins, capital expenditures, the satisfaction of statutory tests imposed by the laws governing Plazacorp for the declaration of dividends and other conditions existing at such future time. The market value of Plazacorp's shares may deteriorate if the Company is unable to meet market expectations for dividends in the future and that deterioration may be material.

Capital expenditures are incurred in irregular amounts and may exceed actual cash available from operations or recovered from tenants during certain periods. In addition, because of items such as principal repayments, dividend payments may also exceed actual cash available from time to time. Plazacorp may be required to use part of its debt capacity or reduce dividends in order to accommodate such items, and there can be no assurance that funds from such sources will be available on favourable terms, or at all.

Current Economic Conditions

Plazacorp is subject to risks generally incidental to the Canadian real estate, credit, capital and financial markets. Global recessionary economic conditions and global financial liquidity issues may result in interruptions in the credit and capital markets, devaluations of assets directly or indirectly linked to the Canadian real estate finance markets and the concurrent reduction or unavailability of long and short-term liquidity from the capital markets at an economic cost of capital. These conditions could have an adverse effect on Plazacorp and its assets.

Sensitivity to global economic conditions, and their impact in Canada, may negatively affect the income received from Plazacorp's properties. Inherent illiquidity may limit the Company's ability to vary its portfolio in response to changes in the global, national and/or local economic conditions and may ultimately prevent the Company from implementing its strategies. Increased vacancy rates and difficulties re-leasing properties, commonly associated with recessionary economic conditions, may occur and may adversely affect the income received from the Company's real property assets.

Reliance on Anchor Tenants

Plazacorp's net income could be adversely affected in the event of a downturn in the business or the bankruptcy or insolvency of any anchor store or anchor tenant. Anchor tenants generally occupy large amounts of leasable area, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. A large number of Plazacorp's properties are single-tenant properties, the largest tenant of which is Shoppers Drug Mart. At June 30, 2011, Shoppers Drug Mart represented approximately 25% of monthly gross rents in place. The Company is reliant on the ability of its anchor tenants generally, and in particular on the ability of Shoppers Drug Mart, to meet their financial targets and sustain operations. Only one other tenant currently exceeds 5% of revenues. The closing of one or more anchor stores at a multi-tenant property or the anchor tenant at a single-tenant property, could have an adverse effect on that property. At a multi-tenant property, vacated anchor tenant space tends to adversely affect the entire shopping centre because of the loss of the departed anchor tenant's power to draw customers to the centre, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. Moreover, a lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises may entitle other tenants of the centre to cease operating from their premises, to a reduction of rent payable under their leases and/or to terminate their leases. No assurance can be given that the Company will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. If any anchor tenant were to leave a property, the property could be negatively affected, which could have an adverse effect on Plazacorp's financial condition and results of operations and could decrease the amount of cash available to pay dividends to shareholders.

Economic Stability of Local Markets

Some of Plazacorp's properties are located in regions where the economy is dominated by a small number of industries with only a few major participants. The economic stability and development of these local markets would be negatively affected if such major industry participants failed to maintain a significant presence in such markets.

An economic downturn in these markets may adversely affect revenues derived by tenants of the Company from their businesses and their ability to pay rent to Plazacorp in accordance with their leases. An enduring economic decline in a local market may impact the liquidity of the real property with respect to potential liquidation and/or financing activities, and may affect the ability of Plazacorp to: (i) lease space in its properties; (ii) renew existing leases at current rates; and (iii) derive income from the properties located in such market, each of which could adversely impact the Company's financial condition and results of operations and decrease the amount of cash available to pay dividends to shareholders.

Specific Lease Considerations

Some of Plazacorp's properties are leased on a base year or semi-gross basis or otherwise have caps on operating costs. As at June 30, 2011, approximately 57% of the Company's leased area is tied to a consumer price index cost recovery formula. As a result, Plazacorp will bear the economic cost of increases in certain of the operating costs in such cases to the extent it is not able to fully recover increases in operating costs from these tenants. Although management believes that increases in operating costs at the Company's properties generally track closely with changes in the consumer price index, unusual increases in operating costs above the consumer price index cost recovery formula could adversely impact Plazacorp's financial condition and results of operations and decrease the amount of cash available to pay dividends to shareholders.

Ownership of Ground Lease Properties

To the extent the properties in which the Company has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments which could adversely impact Plazacorp's financial condition and results of operation and decrease the amount of cash available to pay dividends to shareholders.

Currently Plazacorp has 25 long-term land leases (affecting 24 properties) with total annual rent of \$2.6 million. One of the land leases relates to shared parking facilities. The other properties under land lease represent approximately 14% of the Company's fair value of investment properties and investments (as at June 30, 2011). Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2012 to 2084 with an average life of 43 years, with non-automatic renewal options ranging from nine to 66 years with an average of 30 years of renewal options. Plazacorp has purchase options on 12 of the 25 land leases (the Company has a right to purchase the freehold interest at fair market value on 10 of the land leases and at a fixed price on two of the land leases). All land leases with related parties have purchase options. In the event that Plazacorp is unable to buy ground lease properties at the end of the lease or extend the term of the ground lease for whatever reason, including an agreement as to price with the current owner, Plazacorp's financial results could be adversely affected by the loss of revenue associated with the properties.

Potential Conflicts of Interest

Plazacorp's directors, officers and employees will, from time to time, in their individual capacities deal with parties with whom the Company may be dealing, or may be seeking investments similar to those desired by Plazacorp. The interest of these persons could conflict with those of the Company. For a detailed description of Plazacorp's related party transactions, please see pages 21-24 of the Q2 MD&A.

Internalization of Management

Prior to July 1, 2011, Plaza Group Management Limited provided property and corporate management services to Plazacorp. In Québec, staff of Les Immeubles Plaza Z-Corp handled management duties under a separate management agreement with Plazacorp. Plaza Group Management Limited was controlled by Michael Zakuta and Earl Brewer, two directors of the Company. Les Immeubles Plaza Z-Corp is controlled by Michael Zakuta.

Effective July 1, 2011, Plazacorp completed the internalization of its property and corporate management. While Plazacorp expects that the internalization of management will reduce Plazacorp's overall management costs, streamline its operations and contribute to dividend growth, this cannot be assured.

Liquidity Risk

Real property equity investments are relatively illiquid. In particular, certain of Plazacorp's smaller properties that are located in secondary geographic markets may be inherently illiquid. This illiquidity will tend to limit the ability of Plazacorp to vary its portfolio promptly in response to a change in economic or investment conditions. If Plazacorp was required to liquidate its assets, there is a risk that Plazacorp would realize sale proceeds of less than the current book value of its properties and decrease the amount of cash available to pay dividends to shareholders. Plazacorp attempts to mitigate this risk through diversification of retail asset class and geographic location, and the tenant mix within a particular real estate investment.

Uninsured Losses

There are certain types of risks, generally of a catastrophic nature, such as wars, acts of terrorism or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, Plazacorp could lose its investment in, and anticipated profits and cash flows from, the affected property, but Plazacorp would continue to be obliged to repay any recourse mortgage indebtedness on such property.

Plazacorp maintains at all times insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with such insurers, and on such terms as the Company and the directors consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties. A successful claim against Plazacorp not covered by, or in excess of, the insurance coverage could have a material adverse effect on Plazacorp's business, financial condition or results of operations and dividends. In addition, there can be no assurance that liability coverage will continue to be available on acceptable terms.

Key Personnel

Plazacorp relies on the services of certain key personnel on its executive team, including Earl Brewer, Michael Zakuta, Floriana Cipollone or James Petrie, and the loss of their services could have an adverse effect on the Company. Plazacorp mitigates key personnel risks through ongoing succession planning.

Operational Risk

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings.

Taxation of the Company

If the Company ceases to qualify as a mutual fund corporation under the Tax Act, the income tax considerations described under the headings "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" could be materially and adversely different in certain respects.

The constating documents of the Company do not contain limitations on ownership of the Common Shares of the Company. If the Company were found to be established or maintained primarily for the benefit of non-resident persons, the Company would lose its status as a mutual fund corporation for purposes of the Tax Act. The Company does not believe this to be the case.

Changes in Legislation and Administrative Policy

There can be no assurance that certain laws applicable to Plazacorp, including income tax laws, will not be changed in a manner which could adversely affect the value of Plazacorp. In addition, there can be no assurance that the administrative policies and assessing policies of the Canada Revenue Agency will not be changed in a manner that negatively affects shareholders. Such changes could, depending on their nature, benefit or adversely affect Plazacorp.

Dilution

The number of Common Shares and Preferred Shares that the Company is authorized to issue is unlimited. The Company may, in its sole discretion, issue additional Common Shares or Preferred Shares from time to time, and the interests of the holders of such shares may be diluted thereby.

While the net proceeds of the Offering are expected to reduce the Company's leverage and enhance its liquidity, to the extent that a portion of the net proceeds of the Offering remain as cash, or are used to pay down indebtedness, the Company's net income, on a per share basis, may be diluted.

Market for Common Shares and Common Share Prices

As with any other publicly traded security, the value of Common Shares depends on various market conditions that will change from time to time. The market value of the Common Shares is influenced by investor perceptions of Plazacorp's growth potential and Plazacorp's current and potential earnings. Consequently, Common Shares may trade at prices that are greater or less than their net asset value. Factors that may affect the market price of Common Shares include, but are not limited to, the following:

- general economic conditions;
- the market demand for Common Shares;
- general reputation of Plazacorp;
- the underlying net asset value of Plazacorp's portfolio;
- investor confidence in equity investments generally; and
- Plazacorp's financial performance.

Disclosure Controls and Procedures on Internal Control over Financial Reporting

The Company could be adversely affected if there are deficiencies in disclosure controls and procedures or internal control over financial reporting. The Company has updated its internal controls to accommodate its transition to International Financial Reporting Standards effective January 1, 2011.

The design and effectiveness of disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal control over financial reporting which may occur could result in misstatements of the Company's results of operations, restatements of financial statements, a decline in the Common Share price, or otherwise materially adversely affect the Company's business, reputation, results of operations, financial condition or liquidity.

EXPERTS

The matters referred to under "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations", as well as certain other legal matters relating to the issue and sale of the Offered Shares, will be passed upon by Goodmans LLP on behalf of the Company and by Stikeman Elliott LLP on behalf of the Underwriters. As of the date of this short form prospectus, the partners and associates of Goodmans LLP and Stikeman Elliott LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Accountants. The transfer agent and registrar for the Common Shares is the Canadian Stock Transfer Company Inc. at its office in Calgary, Alberta.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a

purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of Plazacorp Retail Properties Ltd. (the "**Company**") dated September 20, 2011 relating to the issuance of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the inclusion in the above-mentioned prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the consolidated statements of income and other comprehensive loss, deficit and cash flows for the years then ended. Our report is dated March 31, 2011.

(signed) KPMG LLP
Chartered Accountants

FREDERICTON, CANADA

September 20, 2011

CERTIFICATE OF THE COMPANY

Dated: September 20, 2011

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

PLAZACORP RETAIL PROPERTIES LTD.

(Signed) Michael Zakuta
Chief Executive Officer

(Signed) Floriana Cipollone
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Earl Brewer
Director

(Signed) Barbara Trenholm
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 20, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.

(Signed) Carolyn A. Blair

CIBC WORLD MARKETS INC.

(Signed) Allan Kimberley

BMO NESBITT BURNS INC.

(Signed) Grégoire Baillargeon

BEACON SECURITIES LIMITED

(Signed) Daniel Holland

SCOTIA CAPITAL INC.

(Signed) Stephen Sender

DESJARDINS SECURITIES INC.

(Signed) Mark A. Edwards

NATIONAL BANK FINANCIAL INC.

(Signed) Craig J. Shannon