

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of Alberta, British Columbia, Manitoba and Ontario and with the TSX Venture Exchange Inc., but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities in Alberta, British Columbia, Manitoba and Ontario.

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by Persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

June 25, 2021

AUDREY CAPITAL CORPORATION

(a Capital Pool Company)

\$500,000.00

5,000,000 Common Shares

PRICE: \$0.10 per Common Share

The purpose of this offering (the “**Offering**”) is to provide Audrey Capital Corporation (the “**Company**”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as herein defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the “**Exchange**”) and in the case of a Non-Arm’s Length Qualifying Transaction (as herein defined), must also receive the Majority of the Minority Approval (as herein defined) in accordance with Exchange Policy 2.4 – *Capital Pool Companies* (the “**CPC Policy**”). The Company is a Capital Pool Company (a “**CPC**”). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as herein defined), the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See “Business of the Company” and “Use of Proceeds”.

	Price to the Public	Agent’s Commission ⁽¹⁾	Proceeds to the Company ⁽²⁾
Per Common Share ⁽³⁾	\$0.10	\$0.01	\$0.09
Total Offering ⁽⁴⁾	\$500,000.00	\$50,000.00	\$450,000.00

Notes:

⁽¹⁾ The Agent has agreed to act as an agent in connection with the Offering and will receive a commission equal to 10% of the gross proceeds of the Offering (the “**Agent’s Commission**”). In addition, the Agent will receive and administrative fee of \$15,000 (the “**Administration Fee**”). The Agent will be reimbursed for its reasonable expenses incurred pursuant to the Offering, including legal fees. An advance of \$15,000 was paid by the Company to the Agent as a retainer against the Agent’s expenses. As additional compensation, the Company will also grant to the Agent non-transferrable warrants (the “**Agent’s Warrants**”) to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at an exercise price of \$0.10 per Common Share for a period of

60 months from the Listing Date (as herein defined). This prospectus qualifies the grant of the Agent's Warrants. See "Plan of Distribution".

- (2) Before deducting costs of the Offering, estimated at \$141,000, which includes legal and audit fees and other expenses of the Company, the Administration Fee and reasonable expenses of the Agent (including the Agent's legal fees and the Agent's Commission) and the listing fee payable to the Exchange and filing fees payable to the Commissions. See "Use of Proceeds" and "Plan of Distribution".
- (3) The price per Common Share has been determined by arm's length negotiation between the Company and the Agent.
- (4) A total of 5,000,000 Common Shares are offered hereunder, not including the Common Shares issuable upon exercise of the Agent's Warrants or Incentive Stock Options. See "Plan of Distribution" and "Incentive Stock Options".

The Offering is made on a "commercially reasonable efforts" basis by Canaccord Genuity Corp. (the "Agent") and is subject to a minimum subscription of 5,000,000 common shares of the Company (each a "Common Share" and, collectively, "Common Shares") at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$500,000. See "Plan of Distribution".

All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of an agreement between the Company and the Agent (the "Agency Agreement"). If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by Persons who subscribed for Common Shares within that period, all subscription funds will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent and any sub agents will be granted common share purchase warrants (the "Agent's Warrants") to purchase such number of Common Shares as is equal to 10% of the number of Common Shares sold pursuant to the Offering at a price of \$0.10 per Common Share, expiring 60 months from the day the Common Shares are listed on the Exchange (the "Listing Date"). The Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution".

This prospectus also qualifies for distribution of options to be granted to the Directors and Officers of the Company (the "Incentive Stock Options") to purchase up to a total of 1,800,000 Common Shares at a price of \$0.10 per Common Share and such options may be exercised for a period of five years from the date of grant. See "Plan of Distribution", "Description of Securities Distributed", and "Incentive Stock Options".

No Person is authorized to provide any information or to make any representations in connection with this Offering other than as contained in this prospectus.

Market for Securities

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

There is currently no market through which the securities offered hereby may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

Upon completion of the Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per Common Share of \$0.0362 or 36%.

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

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

Risk Factors

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

The Company has a limited operating history and does not currently own any assets other than cash. The business objective of the Company is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval; however, there can be no assurance that the Company will successfully complete a Qualifying Transaction. The Company has not entered into an Agreement with a Principle, as hereafter defined. The Company has not commenced the process of identifying potential acquisitions. The Company may find that even if the terms of a potential acquisition are economic, the Company may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Company has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, purchasers should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such Persons or the Company, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Company's treasury, control of the Company may change and shareholders may suffer further dilution of their investment. The Company will be in competition with other corporations with greater resources. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, 75%, or 3,750,000, of the total number of Common Shares offered under this prospectus are subject to certain limits. No purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total number of Common Shares offered under this prospectus, being 100,000 Common Shares (\$10,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, being 200,000 Common Shares (\$20,000).

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Common Shares sold under the Offering will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("CDS") or its nominee and deposited in electronic non certificated form. If delivered in electronic non certificated form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased as to the number of Common Shares subscribed for. CDS will record the CDS participants who hold such Common Shares on behalf of owners who have purchased such Common Shares in non certificated form. Certificates representing the Common Shares in registered and definitive form will only be issued in certain limited circumstances.

The Common Shares are conditionally offered, subject to a prior sale, if, as, and when issued by the Company, in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to approval of certain legal matters by Farris LLP on behalf of the Company and by Miller Thomson LLP on behalf of the Agent.

CANACCORD GENUITY CORP.
Suite 2200 – 609 Granville Street
Vancouver, British Columbia, V7Y 1H2
Telephone: (604) 643-7300

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GLOSSARY

“**Administration Fee**” means the administration fee payable by the Company to the Agent of \$15,000.

“**Affiliate**” means a company that is affiliated with another company as described below.

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

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

A company is “controlled” by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person; or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that Person.

“**Agency Agreement**” means the agency agreement dated ●, 2021, between the Company and the Agent in respect of the Offering.

“**Agent**” means Canaccord Genuity Corp.

“**Agent’s Commission**” means the commission payable in cash by the Company to the Agent equal to 10% of the gross proceeds of the Offering.

“**Agent’s Warrants**” means the non-transferrable warrants granted by the Company to the Agent to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of 60 months from the Listing Date.

“**Agent’s Warrant Shares**” means the Common Shares issuable to the Agent on exercise of the Agent’s Warrants.

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

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

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

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

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

“Associate” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him/her to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest, or in respect of which a Person serves as trustee or in a similar capacity; and
- (d) in the case of an individual, a relative of that individual, including:
 - (i) that individual's spouse or child, or
 - (ii) any relative of the individual or of his/her spouse who has the same residence as that individual;

but

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

“Capital Pool Company” or **“CPC”** means a corporation:

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

“Commissions” means the British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission, and the Ontario Securities Commission.

“Common Shares” means common shares in the capital of the Company.

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

“Company” means Audrey Capital Corporation, a company incorporated under the *Business Corporations Act* (British Columbia).

“Completion of the Qualifying Transaction” means the date the Final QT Exchange Bulletin is issued by the Exchange.

“Conditional Acceptance Documents” has the meaning ascribed thereto in the CPC Policy.

“**Control Person**” means any Person that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“**CPC Policy**” means Exchange Policy 2.4 – *Capital Pool Companies*.

“**Eligible Persons**” has the meaning ascribed thereto in the Option Plan.

“**Escrow Agent**” means Olympia Trust Company.

“**Escrow Agreement**” means the escrow agreement dated ●, 2021 among the Company, the Escrow Agent, and certain shareholders of the Company.

“**Exchange**” or “**TSX-V**” means the TSX Venture Exchange Inc.

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

“**Incentive Stock Options**” means the non-transferrable options to purchase Common Shares pursuant to the Option Plan that was adopted by the Board of Directors of the Company on May 12, 2021.

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

“**Initial Public Offering**” or “**IPO**” means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

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

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

“**Listing Date**” means that date on which the Common Shares are listed on the Exchange.

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

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

“**Member**” has the meaning in Rule A.1.00 of the TSX Venture Exchange Rule Book.

“**Members’ Agreement**” means the members’ agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange under the Exchange requirements.

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

“**Non-Arm’s Length Party**” means in relation to a company, a Promoter, Director, Officer, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, Director, Officer, Insider, or Control Person.

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

“**Offering**” means the offering of Common Shares in accordance with the terms of this prospectus.

“**Option Plan**” means the 10% rolling stock option incentive plan adopted by the Company’s Board of Directors on May 12, 2021.

“**Person**” means a company or an individual.

“**Preferred Shares**” means preferred shares in the capital of the Company.

“**Principal**” means:

- (a) a Person who acted as a Promoter of the issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final QT Exchange Bulletin;
- (b) a Director or Officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final QT Exchange Bulletin;
- (c) a 20% holder – a Person that holds securities comprising more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final QT Exchange Bulletin for non-IPO transactions;
- (d) a 10% holder – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO, or immediately after the Final QT Exchange Bulletin for non-IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more Directors or Officers of the issuer or any of its material operating subsidiaries.

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

A company, trust, partnership, or other entity more than 50% held by one or more Principals will be treated as a Principal. In calculating this percentage, include securities of the Company that may be issued to the Principals under outstanding convertible securities in both the Principals’ securities of

the Company and the total securities of the Company outstanding. Any securities of the issuer that this entity holds will be subject to escrow requirements.

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

“Pro Group” means:

- (a) Subject to paragraphs (b), (c), and (d), “Pro Group” shall include, either individually or as a group:
 - (i) the Member;
 - (ii) Employees of the Member;
 - (iii) partners, Officers, and Directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv) above;
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length to the Member; and
- (d) The Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an Affiliate or Associate of the Member acting at arm's length of the Member;
 - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

“Professional Person” means a Person whose profession gives authority to a statement made by the Professional Person in the Person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer, and a geologist.

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

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

“Qualifying Transaction Agreement” means any agreement or other similar commitment respecting the Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;

- (c) the value of the Significant Assets and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction.

“Related Party Transaction” has the meaning ascribed to that term under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length parties, or where other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

“Responsible Solicitor” means that solicitor who is primarily responsible for the preparation of, or for providing advice to, the Company or Agent with respect to the contents of the prospectus.

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

“ROFR Period” has the meaning ascribed under Plan of Distribution – Agency Agreement and Agent’s Compensation herein.

“SEDAR” means System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure of documents of public companies and investment funds across Canada.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned, or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements. See Exchange Policy 2.1 – *Initial Listing Requirements*.

“Sponsor” has the meaning specified in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

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

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

“Tax Act” means the *Income Tax Act* (Canada).

“Vendor” or **“Vendors”** means one or all of the beneficial owners of the Significant Assets and/or Target Company.

PROSPECTUS SUMMARY

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

- Company:** Audrey Capital Corporation
- Business of the Company:** The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See “Business of the Company”.
- Offering:** A total of 5,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of British Columbia, Alberta, Ontario, and Manitoba. In addition, the Company will grant the Agent’s Warrants to the Agent to purchase such number of Common Shares as is equal to 10% of the number of Common Shares sold pursuant to the Offering, being 500,000 Common Shares with each Agent’s Warrant being exercisable for a period of 60 months from the Listing Date at a price of \$0.10 per Common Share. This prospectus qualifies the grant of the Agent’s Warrants. The issuance of the Incentive Stock Options concurrent with the closing of the Offering to the Directors and Officers of the Company entitling the purchase of, in aggregate, 1,800,000 Common Shares exercisable for a period of five (5) years from the Listing Date, shall also be qualified under this prospectus. See “Use of Proceeds”, “Plan of Distribution”, and “Incentive Stock Options”.
- Use of Proceeds:** The net proceeds available to the Company from prior issuances of Common Shares and the Offering, after the payment of the Agent’s Commission and all other costs and expenses relating thereto, are estimated to be \$1,014,000. The net proceeds of the Offering and proceeds from the prior sale of Common Shares will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. See “Use of Proceeds”, “Business of the Company”, and “Risk Factors”.
- Directors and Officers:** The Directors and Officers of the Company are as follows:
- | | |
|--------------|--|
| Ian Slater | Chief Executive Officer, President, Director, and Promoter |
| Jay Sujir | Director |
| Paul Beattie | Director |
| Mary Braun | Chief Financial Officer, Corporate Secretary |
- See “Directors, Officers, and Promoters”.
- Escrowed Securities:** All of the currently issued and outstanding Common Shares of the Company, being 13,100,000 Common Shares and 1,800,000 Incentive Stock Options entitling the purchase of, in aggregate, 1,800,000 Common Shares exercisable for a period of five (5) years from the Listing Date, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of 18 months after the date of the Final QT Exchange Bulletin. See “Escrowed Securities”.
- Risk Factors:** Investment in the Common Shares of the Company must be regarded as highly speculative due to the proposed nature of the Company’s business and its

present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends, and it will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. **The Offering is only suitable to investors who are prepared to rely entirely on the Directors and management of the Company and can afford to risk the loss of their entire investment.** The Directors and Officers of the Company will only devote part of their time and attention to the affairs of the Company and there may be potential conflicts of interest to which some of the Directors and Officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, investors acquiring Common Shares offered under this prospectus will suffer an immediate dilution of approximately 36% or \$0.0362 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and investors may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. See “Corporate Structure”, “Business of the Company”, “Directors, Officers and Promoters”, “Use of Proceeds”, and “Risk Factors”.

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

CORPORATE STRUCTURE

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 9, 2021 as “Audrey Capital Corporation”.

The head office and registered and records address of the Company is located at #905 – 1111 West Hastings Street, Vancouver, BC, V6E 2J3.

BUSINESS OF THE COMPANY

Preliminary Expenses

The Company incurred approximately \$7,000 in preliminary expenses, comprised of accounting and legal expenses from the date of incorporation to March 31, 2021. From March 31, 2021 to the date of this prospectus, the Company has incurred additional expenses of approximately \$9,000 related to Exchange and securities regulatory authority filing fees. A portion of the proceeds of the Offering will be used to satisfy the obligations of the Company related to the Offering, including the expenses of its legal counsel and auditor and the fees of the Agent, including the Administration Fee and the Agent’s legal counsel fees. See “Use of Proceeds”.

Proposed Operations Until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non-Arm’s Length Qualifying Transaction, will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not yet conducted commercial operations. The sector in which the Company will pursue a Qualifying Transaction is not currently known by the Company.

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

The Company has not entered into an Agreement in Principle.

Method of Financing

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

Criteria for Qualifying Transaction

The Board of Directors of the Company must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the Directors will act honestly and in good faith with a view to the best interests of the Company and will exercise due care, diligence, and skill that a reasonably prudent Person would exercise in comparable circumstances.

The acquisition of, or participation in, companies, assets, or businesses may arise in numerous ways. The Company has not established pre-determined criteria for such acquisitions or participations other than sound business fundamentals. Such fundamentals include but are not limited to: (a) the ratio of risk to reward; (b) the cost effectiveness of the participation or acquisition; (c) the length of the payout period; and (d) the rate of return.

REGULATORY AND SHAREHOLDER APPROVAL

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

Upon the Company reaching a Qualifying Transaction Agreement, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading of the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions, and Delisting". Within 75 days after the issuance of such news release, the Company shall be required to submit for review to the Exchange a Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Company, assuming Completion of the Qualifying Transaction, and must be prepared in accordance with the CPC Policy. The Company must obtain Majority of the Minority Approval of the Qualifying Transaction in the event that the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction. In the event that the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange does not require the Company to obtain Shareholder approval of the Qualifying Transaction provided that the Company files a CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents have been accepted for filing, the Exchange will advise the Company that it is cleared to file the final Disclosure Document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, file the final CPC Filing Statement or Prospectus on SEDAR at least seven (7) business days prior to:
 - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Company are halted from trading; or
 - (ii) the Completion of the Qualifying Transaction, if the securities of the Company are not halted from trading.and concurrently issue a news release which discloses the scheduled closing date for the Qualifying Transactions, as well as the fact that the CPC Filing Statement or Prospectus is available on SEDAR.
- (b) where Shareholder approval of the Qualifying Transaction is required and is to be obtained at a meeting of the Shareholders, the Company will file on SEDAR and mail to its Shareholders the notice of meeting, the CPC Information Circular and form of proxy, together with any other required documents in order to obtain Majority of the Minority Approval of the Qualifying Transaction if the proposed Qualifying Transaction is a Non-Arm's Length Transaction or other requisite approval if the proposed Qualifying Transaction is not a Non-Arm's Length Transaction; and
- (c) where Shareholder approval is required and is to be obtained by written consent, the Company will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Company will be required to retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the policies of the Exchange. The Company will no longer be considered to be a CPC upon the Exchange having issued the Final QT Exchange Bulletin.

The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (a) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final QT Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

Initial Listing Requirements

Upon Completion of the Qualifying Transaction, the Resulting Issuer must satisfy the Exchange's initial listing requirements for the appropriate industry sector in either Tier 1 or Tier 2, as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension, and Delisting

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

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

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

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

In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting the Company shall wind-up and shall make a pro-rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Company, determine to deal with the remaining assets in some other manner. See "Shareholder Approval of a Non-Arm's Length Qualifying Transaction" and "Refusal of Qualifying Transaction".

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the Resulting Issuer will be a mutual fund, as defined in the securities legislation; or
- (c) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to the Company from prior sales of Common Shares and the sale of Common Shares pursuant to the Offering will be \$1,155,000. The Company estimates that it will incur approximately \$141,000 (including listing and filing fees, the Company's legal and audit related fees, the Agent's Commission of \$50,000, the Administration Fee of \$15,000, and the Agent's expenses (including legal fees and disbursements)) in expenses in connection with the Offering.

The following table indicates the principal uses to which the Company proposes to use the total funds available to it upon the completion of the Offering:

<u>PROCEEDS AND EXPENSES</u>	<u>AMOUNT</u>
Cash proceeds raised prior to the Offering ⁽¹⁾ .	\$ 655,000.00
Approximate expenses and costs incurred by the Company relating to the incorporation of the Company, prior issuances of Common Shares, expenses and costs relating to the Offering (including legal fees and disbursements), filing fees, and preparation of the March 31, 2021 audit.	\$ (7,000.00)
Cash proceeds to be raised pursuant to the Offering ⁽²⁾	\$ 500,000.00
Estimated expenses and costs relating to the Offering (including listing fees, filing fees, printing costs, Administration Fee, Agent's Commission, Agent's legal fees and expenses, and legal and audit fees of the Company) ⁽³⁾ .	(134,000.00)
Estimated funds available (on completion of the Offering)	\$ 1,014,000.00
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾ .	\$ 876,000.00
Estimated general and administrative expenses until Completion of the Qualifying Transaction.	\$ 138,000.00
Total Net Proceeds	\$ <u>1,014,000.00</u>

Notes:

⁽¹⁾ See "Prior Sales".

⁽²⁾ In the event that the Agent exercises the Agent's Warrants, there will be available to the Company an additional \$50,000, which will be added to the working capital of the Company. In the event that all Incentive Stock Options are exercised, there will be available to the Company an additional \$180,000, which will be added to the working capital of the Company. There is no assurance that all, or any part of, the Agent's Warrants or the Incentive Stock Options will be exercised.

⁽³⁾ A deposit of \$15,000 was paid by the Company to the Agent as a retainer against the Agent's expenses.

⁽⁴⁾ In the event that the Company enters into an Agreement in Principle prior to spending its available funds on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Proceeds

Until the Completion of the Qualifying Transaction and except by otherwise specifically provided by the CPC Policy and described in “Private Placements for Cash”, “Prohibited Payments to Non-Arm’s Length Parties”, and “Finder’s Fees”, the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and, if required, obtain shareholder approval for a proposed Qualifying Transaction. See “Business of the Company” and “Risk Factors”.

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

- (a) reasonable expenses relating to the Company’s IPO, including:
 - (i) fees for legal services and audit services relating to the preparation and filing of this prospectus;
 - (ii) Agent’s fees, costs and commissions; and
 - (iii) printing costs, including printing of this prospectus and share certificates;
- (b) reasonable general and administrative expenses of the Company (not exceeding in aggregate \$3,000 per month), including:
 - (i) office supplies, office rent and related utilities;
 - (ii) equipment leases;
 - (iii) fees for legal services; and
 - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
 - (i) valuations or appraisals;
 - (ii) business plans;
 - (iii) feasibility studies and technical assessments;
 - (iv) sponsorship reports;
 - (v) Geological Reports;
 - (vi) financial statements;
 - (vii) fees for legal services; and
 - (viii) fees for accounting, assurance and audit services;
- (d) agents’ and finders’ fees, costs and commissions;
- (e) assurance and audit fees of the Company;

- (f) escrow agent and transfer agent fees of the Company; and
- (g) regulatory filing fees of the Company.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan by the Company to a Vendor or Target Company, as the case may be, without the prior acceptance of the Exchange. Any proposed deposit, advance, or loan of funds from the Company to a Vendor or Target Company in excess of such \$25,000 maximum aggregate may only be made as a secured loan with prior acceptance of the Exchange where all of the following conditions are satisfied:

- (a) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (b) the Qualifying Transaction has been announced in a comprehensive news release;
- (c) the due diligence with respect to the Qualifying Transaction is well underway;
- (d) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (e) the loan has been announced in a news release at least 15 days prior to the date of any such loan; and
- (f) the total amount of all deposits, advances, and loans from the Company does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Company to the Vendor or Target Company, as the case may be, does not represent more than 20% of the working capital of the Company.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$10,000,000. The only securities issuable pursuant to such a private placement will be Common Shares and Agent's Options. Subject to certain limited exceptions, any Common Shares issued pursuant to a private placement to Non-Arm's Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "Incentive Stock Options", "Permitted Use of Funds", and "Finder's Fees", the Company has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Company, or a Non-Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, promotional or market making services in respect of the Company or the Securities of the Company or any Resulting Issuer, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy), loans, advances and bonuses, and
- (b) deposits and similar payments.

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

Notwithstanding the above, the Company may pay or reimburse a Non-Arm's Length Party to the Company for reasonable general and administrative expenses of the Company (including office supplies, office rent and related utilities, equipment leases, fees for legal services and fees for accounting and advisory services not exceeding \$3,000 per month, and fees for legal services relating to a proposed Qualifying Transaction; and the Company may also reimburse a Non-Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Proceeds".

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

Finder's Fees

Upon Completion of the Qualifying Transaction, the Company and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*:

- (a) to a Person that is not a Non-Arm's Length Party to the Company; and
- (b) to a Non-Arm's Length Party to the Company, provided that:
 - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
 - (ii) the Qualifying Transaction is not a transaction between the Company and an existing public company;
 - (iii) the finder's fee is payable in the form of cash, Common Shares, and/or warrants only;
 - (iv) the amount of any concurrent financing is not included in the value of the measurable benefit used to calculate the finder's fee; and
 - (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders of the Company or by the written consent of Shareholders holding more than 50% of the issued Common Shares, provided that the votes attached to the Common Shares held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Company has appointed the Agent as its agent to offer for sale to the public on a "commercially reasonable efforts" basis in the provinces of British Columbia, Alberta, Manitoba, and Ontario, 5,000,000 Common Shares at a price of \$0.10 per Common Share, as provided in this prospectus, for total gross proceeds of \$500,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering. In addition, the Company will pay to the Agent the Administration Fee of \$15,000 upon closing of the Offering. The Company will reimburse the Agent for its expenses incurred pursuant to the Offering (including legal fees and any other reasonable costs and expenses). The Company has paid to the Agent a retainer of \$15,000 against the Agent's expenses.

The Company has also agreed to grant to the Agent the Agent's Warrants to purchase such number of Common Shares as is equal to 10% of the number of Common Shares sold under the Offering, being an aggregate of 500,000 Common Shares, at an exercise price of \$0.10 per Common Share, which may be exercised for a period of 60 months from the Listing Date. The grant of the Agent's Warrants is qualified

under this prospectus. Not more than 50% of the aggregate number of Common Shares which can be acquired by the Agent on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Company has agreed to grant the Agent a right of first refusal for all brokered equity financings (or securities convertible into equity) the Company proposes to undertake until that day which is the earlier of (the "ROFR Period"):

- (a) the date of the closing of the Company's Qualifying Transaction; and
- (b) 24 months from the date the Company's Common Shares are listed on the Exchange.

Within such period, the Company agrees to deliver to the Agent notice of the terms of any proposed brokered equity financing, or proposed engagement by another dealer. The Company has also agreed to grant the Agent during the ROFR Period a right of first refusal to provide sponsorship services for any Qualifying Transaction of the Company if a sponsor is required by the Exchange.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement may be terminated at its discretion, on the basis of its assessment of the state of financial markets, and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering consists of 5,000,000 Common Shares at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. Under the CPC Policy, 75%, or 3,750,000, of the total number of Common Shares offered under this prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% of the total number of Common Shares offered under this prospectus, or 100,000 Common Shares (\$10,000); and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% of the total number of Common Shares offered under this prospectus, or 200,000 Common Shares (\$20,000).

The funds received from the Offering will be deposited with the Agent and will not be released until proceeds of \$500,000 have been deposited. The total subscription must be raised within 90 days of the date that a receipt for the prospectus is issued, or such other time as may be consented to by the Agent or Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Company has granted to its Directors and Officers Incentive Stock Options to purchase, in aggregate, 1,800,000 Common Shares at an exercise price of \$0.10 per Common Share, which Incentive Stock Options will become effective on the Listing Date and will be exercisable until the date that is 5 years after the Listing Date in accordance with the policies of the Exchange. The Incentive Stock Options are qualified for distribution under this prospectus. See "Incentive Stock Options".

Determination of Price

The price of the Common Shares offered pursuant to the Offering was determined by arm's length negotiation between the Company and the Agent.

Listing Application

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

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

Subscriptions by and Restrictions on Agent

The Agent has advised the Company that, to the best of its knowledge and belief, neither it, nor any of its Directors, Officers, employees or contractors, or any Associate or Affiliate of the foregoing has subscribed for Common Shares of the Company prior to the date hereof.

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

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of Incentive Stock Options, no securities of the Company will be permitted to be issued during the period between the date a receipt for the prospectus is issued by the applicable securities regulatory authorities and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares, of which, as of the date hereof, 13,100,000 Common Shares are issued and outstanding as fully paid and non-assessable. Additionally, the Company is also authorized to issue an unlimited number of Preferred Shares, of which, as of the date hereof, no Preferred Shares are issued and outstanding.

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably the remaining assets of the Company, subject to the rights of holders of the preferred shares.

5,000,000 Common Shares are being qualified for issuance pursuant to this prospectus. In addition, pursuant to the Agent's Warrants, the number of Common Shares equal to 10% of the Common Shares

issued pursuant to this Offering, being 500,000 Common Shares, are reserved for issuance. 1,800,000 Common Shares are reserved for issuance under the Incentive Stock Options. See “Plan of Distribution” and “Incentive Stock Options”.

CAPITALIZATION

Capital	Authorized	Amount Outstanding as at March 31, 2021 ⁽¹⁾⁽²⁾	Amount Outstanding as at Date of the Prospectus ⁽¹⁾⁽²⁾	Amount Outstanding Following Completion of the Offering ⁽³⁾⁽⁴⁾
Common Shares	Unlimited	\$655,000.00 (13,100,000 Common Shares)	\$655,000.00 (13,100,000 Common Shares)	\$1,155,000.00 (18,100,000 Common Shares)

Notes:

- ⁽¹⁾ As at the date of the most recent balance sheet of the Company, it had not commenced commercial operations.
- ⁽²⁾ These Common Shares are subject to escrow restrictions. See “Escrowed Securities”.
- ⁽³⁾ The Company will issue up to 500,000 Common Shares upon the exercise of the Agent’s Warrants and up to 1,800,000 Common Shares upon exercise of Incentive Stock Options. See “Plan of Distribution” and “Incentive Stock Options”.
- ⁽⁴⁾ Before deducting the costs and expenses of the Offering, estimated to be \$141,000, which includes legal and audit fees and other expenses of the Company, the Administration Fee and reasonable expenses of the Agent (including the Agent’s legal fees and the Agent’s Commission) and the listing fee payable to the Exchange and filing fees payable to the Commissions. See “Use of Proceeds” and “Plan of Distribution”.

INCENTIVE STOCK OPTIONS

The Board of Directors of the Company has adopted a 10% rolling stock option incentive plan (the “**Option Plan**”) pursuant to which it may, from time to time in its discretion and in accordance with the Exchange requirements, grant to Eligible Persons non-transferable options to purchase Common Shares (collectively, the “**Incentive Stock Options**”) exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, Eligible Persons under the Option Plan are defined as a Directors, Officer, Employee or consultants (where permitted by applicable securities laws) of the Company or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; provided that, until such time as the Company completes a Qualifying Transaction, an Eligible Person shall be limited to a Director, senior Officer or, where applicable securities laws allow, a Consultant whose part is required to evaluate the proposed Qualifying Transaction (as those terms are defined by the policies of the Exchange and National Instrument 45-106 – Prospectus and Registration Exemptions, as amended from time to time).

The aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate such number of Common Shares as is equal to 10% of the Common Shares issued and outstanding at the time of a grant; provided that, for so long as the Company is a CPC under the policies of the Exchange, such number cannot exceed 10% of the aggregate number of Common Shares issued and outstanding upon completion of the Company’s Initial Public Offering, which, presuming the Offering is completed as proposed, is a reserve of 1,800,000 Common Shares. For so long as the Company is a CPC, the number of Common Shares reserved for issuance to any individual Director or Officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. If an option holder does not carry on as a Director, Officer or technical consultant of the Company upon Completion of the Qualifying Transaction, then such option holder’s options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of Office, Directorship, or technical consulting arrangement was by reason

of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued. See “Escrowed Securities”.

The Company’s Board of Directors has approved the issuance of Incentive Stock Options to its Directors and Officers to purchase, in aggregate, 1,800,000 Common Shares according to the following terms, which Incentive Stock Options will be granted concurrent with the closing of the Offering:

Name	Number of Common Shares under Option ⁽¹⁾	Exercise Price per Common Share	Expiry Date
Ian Slater	600,000	\$0.10	5 years from the Listing Date
Paul Beattie	600,000	\$0.10	5 years from the Listing Date
Jay Sujir	300,000	\$0.10	5 years from the Listing Date
Mary Braun	300,000	\$0.10	5 years from the Listing Date
Total	1,800,000		

Notes:

⁽¹⁾ In accordance with Exchange policies, all Common Shares acquired on exercise of Incentive Stock Options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued. See “Escrowed Securities”.

The Incentive Stock Options to purchase 1,800,000 Common Shares granted to the Company’s Directors and Officers (subject to regulatory approval) are qualified for distribution pursuant to this prospectus.

PRIOR SALES

Since the date of incorporation of the Company, 13,100,000 Common Shares have been issued as set out below and are currently outstanding as follows:

Date	Number of Common Shares	Issue Price per Share	Aggregate Issue Price	Consideration Received
March 9, 2021	1 ⁽¹⁾	\$0.01	\$0.01	Cash
March 31, 2021	13,100,000 ⁽²⁾	\$0.05	\$655,000.00	Cash
Total	13,100,000		\$655,000.00	

Notes:

⁽¹⁾ Incorporation share cancelled and repurchased by the Company. Share returned to treasury as of May 12, 2021.

⁽²⁾ These Common Shares will be held in escrow. See “Escrowed Securities”.

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of a Qualifying Transaction

All of the 13,100,000 Common Shares issued prior to the Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non-Arm’s Length Parties of the Company either under the Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to the Offering will be deposited with Olympia Trust Company pursuant to the terms of the Escrow Agreement.

All Incentive Stock Options and all Common Shares acquired prior to the date of a Final QT Exchange Bulletin pursuant to the exercise of Incentive Stock Options are subject to escrow under the Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of Incentive Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the Escrow Agreement.

The following table sets out, as at the date hereof, the number of Common Shares and Incentive Stock Options of the Company that will be held in escrow pursuant to the terms of the Escrow Agreement.

Name and Municipality of Residence of Shareholder	Number of Common Shares Held in Escrow	Percentage of Common Shares prior to Completion of the Offering	Percentage to be Owned Assuming Completion of the Offering⁽¹⁾	Number of Incentive Stock Options Held in Escrow
Slater Capital Corporation ⁽²⁾ Vancouver, British Columbia	4,000,000	30.5%	22.1%	-
BT Advisory Inc. ⁽³⁾ Montreal, Quebec	2,000,000	30.5%	22.1%	-
BT Global Capital Inc. ⁽³⁾ Montreal, Quebec	2,000,000			-
J. Sujir Law Corporation ⁽⁴⁾ Vancouver, British Columbia	1,000,000	7.6%	5.5%	-
Ian Slater Vancouver, British Columbia	-	-	-	600,000
Paul Beattie Montreal, Quebec	-	-	-	600,000
Jay Sujir Vancouver, British Columbia	-	-	-	300,000
Mary Braun Vancouver, British Columbia	100,000	0.8%	0.6%	300,000
Koi Communications Corporation Vancouver, British Columbia	4,000,000	30.5%	22.1%	-
Total	13,100,000	100.0%	72.4%	1,800,000

Notes:

- ⁽¹⁾ Assuming no Common Shares are purchased by such Persons pursuant to the Offering and the Incentive Stock Options are not exercised.
- ⁽²⁾ A company 100% beneficially owned and controlled by Ian Slater.
- ⁽³⁾ A company 100% beneficially owned and controlled by Paul Beattie.
- ⁽⁴⁾ A company 100% beneficially owned and controlled by Jay Sujir.

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

Under the Escrow Agreement:

- (a) all Incentive Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such Incentive Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than Incentive Stock Options that were granted prior to the Company's IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such Incentive Stock Options which will be released from escrow in accordance with (b);
- (b) except for the Incentive Stock Options and Common Shares issued pursuant to the exercise of such Incentive Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:
 - (i) 25% on the date of the Final QT Exchange Bulletin;
 - (ii) 25% on the date that is six (6) months following the date of the Final QT Exchange Bulletin;
 - (iii) 25% on the date that is 12 months following the date of the Final QT Exchange Bulletin; and
 - (iv) 25% on the date that is 18 months following the date of the Final QT Exchange Bulletin.

Prior consent must be obtained from the Exchange before a transfer within escrow of escrowed Common Shares. In general, a transfer within escrow will only be permitted by the Exchange to existing Principals of the Company and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, upon issuance by the Exchange of a bulletin delisting the Common Shares of the Company, the Escrow Agent is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by Non-Arm's Length Parties to the Company that were issued at a price below the Offering price under this prospectus and all Incentive Stock Options and underlying Common Shares held by such Persons; and
- (b) cancel all escrow securities on a date that is 10 years from the date of such Exchange bulletin.

Escrowed Securities on Qualifying Transaction

In general and subject to certain exemptions, in connection with the Qualifying Transaction, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the Policies of the Exchange.

PRINCIPAL SHAREHOLDERS

The following table lists those Persons who legally or beneficially own, directly or indirectly, 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares Held in Escrow	Percentage of Common Shares prior to Completion of the Offering	Percentage to be Owned Assuming Completion of the Offering ⁽¹⁾⁽²⁾
Ian Slater ⁽³⁾ Vancouver, British Columbia	Indirect	4,000,000	30.5%	22.1%
Paul Beattie ⁽⁴⁾ Montreal, Quebec	Indirect	4,000,000	30.5%	22.1%
Jackie Cheung ⁽⁵⁾ Vancouver, British Columbia	Indirect	4,000,000	30.5%	22.1%
Total		12,000,000	91.6%	66.3%

Notes:

- ⁽¹⁾ Assuming no Common Shares are purchased by such Persons pursuant to the Offering and Incentive Stock Options are not exercised.
- ⁽²⁾ The fully-diluted share capital of the Company will be 20,400,000 Common Shares, assuming the exercise of Incentive Stock Options and the Agent's Warrants. On a fully-diluted basis, Ian Slater will beneficially hold 19.6% of the issued and outstanding shares of the Company; Paul Beattie will beneficially hold 19.6% of the issued and outstanding shares of the Company; Jackie Cheung will beneficially hold 19.6% of the issued and outstanding shares of the Company.
- ⁽³⁾ Common shares are held through Slater Capital Corporation, a company 100% beneficially owned and controlled by Ian Slater.
- ⁽⁴⁾ Common shares are held through BT Advisory Inc. and BT Global Capital Inc., companies 100% beneficially owned and controlled by Paul Beattie.
- ⁽⁵⁾ Common shares are held through Koi Communications Corporation, a company 100% beneficially owned and controlled by Jackie Cheung. Mr. Jackie Cheung has no relationship to the Company other than on an investor basis.

DIRECTORS, OFFICERS, AND PROMOTERS

The following table sets out, for each of the Company's Directors, Officers, and Promoters, the person's name, position(s) with the Company, municipality of residence, principal occupation(s) during the five years prior to the date of this prospectus, and the date the person became a Director or an Officer of the Company. The term of office of each of the Directors will expire at the close of the next annual general meeting, unless he or she resigns or otherwise vacates the office before that time.

Name, Residence, and Current Position with the Company	Date Appointed	Principal Occupation or Employment during the Past Five Years	Number of Common Shares ⁽¹⁾	Percentage on Completion of Offering ⁽²⁾⁽³⁾
Ian Slater ⁽⁴⁾ Vancouver, British Columbia Chief Executive Officer, President, Director, and Promoter	March 9, 2021	Current Chief Executive Officer Slater Group	4,000,000	22.1%
Paul Beattie ⁽⁴⁾ Montreal, Quebec Director	April 30, 2021	Current President, BT Global Growth Inc.	4,000,000	22.1%

Name, Residence, and Current Position with the Company	Date Appointed	Principal Occupation or Employment during the Past Five Years	Number of Common Shares⁽¹⁾	Percentage on Completion of Offering⁽²⁾⁽³⁾
Jay Sujir ⁽⁴⁾ Vancouver, British Columbia Director	April 30, 2021	Current Partner, Farris LLP	1,000,000	5.5%
Mary Braun Vancouver, British Columbia Chief Financial Officer and Corporate Secretary	March 31, 2021	Current Financial Controller of Outcrop Gold Corp., AUX Resources Corp., Abigail Capital Corp. Previous Financial Controller and Accounting Manager of several public companies	100,000	0.6%

Notes:

- ⁽¹⁾ These shares are subject to escrow restrictions (see “Escrowed Securities”) and do not reflect a total of up to 1,800,000 Common Shares issuable on exercise of Incentive Stock Options granted to the Company’s Directors and Officers concurrent with the closing of the Offering (see “Incentive Stock Options”).
- ⁽²⁾ Assuming no Common Shares are purchased by such Persons pursuant to the Offering.
- ⁽³⁾ As of the date of this prospectus, the Directors and Officers of the Company, as a group, beneficially own directly or indirectly, 69.5% (9,100,000 Common Shares) of the issued and outstanding Common Shares of the Company. Following completion of this Offering, the Directors and Officers of the Company, as a group, will beneficially own directly or indirectly, 50.3% (9,100,000 Common Shares) of the issued and outstanding Common Shares of the Company, assuming no Common Shares are purchased by such Persons pursuant to the Offering.
- ⁽⁴⁾ Members of the Audit Committee. The Company does not have any other committees.

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

Management of the Company

Set forth below is a description of the background of the Directors and Officers of the Company, including a description of each individual’s principal occupation(s) within the past five (5) years. None of the Company’s Directors or Officers are employees or independent contractors of the Company, and none of the Company’s Directors or Officers have entered into a non-competition or non-disclosure agreement with the Company.

The Directors and Officers of the Company will only devote a portion of their time to the business and the affairs of the Company and they are, and will be, engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Ian Slater – Age: 49 – Chief Executive Officer, President, Director, and Promoter

Mr. Slater is an entrepreneur who has founded numerous companies and been involved in the mining industry for over twenty years. Previously, Mr. Slater was the Managing Partner of both Ernst & Young’s Canadian and Arthur Andersen’s Central Asian Mining Practices. Mr. Slater is a Chartered Professional Accountant (CPA, CA). Mr. Slater is the current CEO of Abigail Capital Corporation and AUX Resources Corporation (both of which have announced amalgamation transactions) and Chairman of Libero Copper & Gold Corporation and Outcrop Gold Corp.

Paul Beattie – Age: 58 – Director

Mr. Beattie has over 33 years as a professional in finance with extensive international experience. He earned an MBA from INSEAD, France and a Bachelor of Commerce (Honours) from Queen’s University, Canada. Paul co-founded the investment firm BT Global Growth in 2006 with Jacques Lacroix and together they manage a successful hedge fund called the BT Global Growth Fund. Mr. Beattie began his career as Investment Banker in 1986 to 1991 at Merrill Lynch Canada Inc. At Merrill Lynch, he held the position of Vice-President and was involved in a diverse range of advisory assignments and capital markets activities including M&A mandates and new equity issues for Canadian corporate clients. From 1994 to 2000, he was Head of Mergers and Acquisitions for the cellular phone company, Telesystem International Wireless. From 2000 to 2006, he co-founded and worked as a Managing Partner of a boutique investment bank, Stable Capital Advisors. Paul is also Co-Chair of the Respiratory Campaign for the McGill University Health Centre Foundation Campaign.

Jay Sujir – Age: 63 – Director

Jay Sujir is securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since May 2015. From 1991 to May 2015, Mr. Sujir was a partner at Anfield, Sujir, Kennedy & Durno, LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

Mary Braun – Age: 41 – Chief Financial Officer and Corporate Secretary

Mary Braun is a Chartered Professional Accountant (CPA, CA) with more than 8 years of progressive accounting experience. She earned a Bachelor of Science with a Specialization in Plant Biology from the University of Alberta in 2001 and started her career in plant biotechnology and then biopharmaceutical research before obtaining her Diploma in Accounting from the University of British Columbia Sauder School of Business. Ms. Braun started her accounting career with Deloitte LLP in the audit and assurance practice, auditing a wide variety of private and public clients. Since leaving Deloitte, she has held progressive roles in several public companies and has sat as Treasurer on the Board of Directors of two not-for-profit entities. She is currently the Financial Controller for Abigail Capital Corporation, Outcrop Gold Corporation, and AUX Resources Corporation.

Reporting Issuer Experience

The following table sets out the Directors and Officers of the Company that are, or have been within the last five years, Directors and Officers of other issuers that are or were reporting issuers in a Canadian jurisdiction.

Name	Name of Reporting Issuer	Exchange	Position(s)	From	To
Ian Slater	AUX Resources Corp.	TSXV	CEO and Director	Jun 2020	Present
	Abigail Capital Corporation	TSXV	CEO, CFO, President, Corporate Secretary, Director	Nov 2018	Present
	AUX Resources Corp.	TSXV	CEO and Director	Jun 2020	Present
	Libero Copper and Gold Corporation	TSXV	Chairman	Aug 2008	Present
	Outcrop Gold Corp.	TSXV	Chairman	Jan 2020	Present
	Red Eagle Mining Corporation	TSXV	CEO and Director	Jan 2010	Nov 2018
Paul Beattie	Abigail Capital Corporation	TSXV	Director	Mar 2019	Present

Name	Name of Reporting Issuer	Exchange	Position(s)	From	To
Jay Sujir	Abigail Capital Corporation	TSXV	Director	Mar 2019	Present
	Arcturus Ventures Inc.	TSXV	Director	Jul 2019	Oct 2019
	Baltic I Acquisition Corp.	TSXV	Director	Dec 2018	Present
	Carlin Gold Corp.	TSXV	Director	Jul 2012	Present
	Collingwood Resources Corp.	TSXV	Director	Jul 2017	Present
	Excelsior Mining Corp.	TSX	Director	Apr 2010	Jun 2018
	Helix Applications Inc.	TSXV	Director	Oct 2019	Present
	Kenorland Minerals Ltd.	TSXV	Director	Apr 2019	Present
	Kootenay Zinc Corp.	CSE, OTCQB, FSE	Director	Sep 2016	Oct 2017
	Kutcho Copper Corp.	TSXV	Director	Dec 2017	Present
	Leagold Mining Corp.	TSX	Director	Jul 2016	Apr 2017
	Libero Copper and Gold Corporation	TSXV	Director	Jun 2008	Present
	Mexican Gold Corp.	TSXV	Director	Jul 2019	Present
	Outcrop Gold Corp.	TSXV	Director	Jan 2020	Present
	Red Eagle Exploration Limited	TSXV	Director	Nov 2015	Apr 2017
	Red Eagle Mining Corporation	TSXV	Director	Jan 2010	Nov 2018
	Roughrider Exploration Ltd.	TSXV	Director	Dec 2011	Present
Vanadian Energy Corp.	TSXV	Director	Nov 2003	Present	
Voleo Trading Systems Inc.	TSXV	Director	May 2019	Present	

Promoter

Ian Slater, Chief Executive Officer, President, and Director of the Company took the initiative in founding the Company and is therefore deemed to be its “Promoter” within the meaning of the Securities Act (British Columbia). Mr. Slater beneficially holds 4,000,000 Common Shares representing 30.5% of the Company’s total issued and outstanding share capital as at the date of this prospectus. In addition, the Company has granted to Mr. Slater Incentive Stock Options to purchase up to 600,000 Common Shares. See “Principal Shareholders” and “Incentive Stock Options”.

Corporate Cease Trade Orders or Bankruptcies

Jay Sujir, and Ian Slater were on the Board of Directors and Ian Slater was also an Officer of Red Eagle Mining Corporation, which owned and operated the Santa Rosa mine in Colombia. Due to start up issues Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018, Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

Jay Sujir and Ian Slater were on the Board of Directors of Red Eagle Mining Corporation which is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018 for

failure to file Interim Financial Statements, Management's Discussion and Analysis, and Certification of Interim Filings for the period ended September 30, 2018.

Penalties or Sanctions

No Director, Officer, Insider, or Promoter of the Company, or a shareholder of the Company holding a sufficient number of securities of the Company to materially affect the control of the Company, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, Insider or Promoter of the Company, or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, as at the date of the prospectus or within the 10 years before the date of this prospectus:

- (a) is or has been a director, officer, Insider or promoter of any company (including the CPC) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold such person's assets.

Indebtedness of Directors and Officers

None of the Directors or Officers of the Company or any of their respective Associates or Affiliates has been indebted to the Company since the date of the Company's incorporation.

Conflicts of Interest

There are potential conflicts of interest to which the Directors, Officers, Insiders, and Promoters of the Company will be subject in connection with the operation of the Company. The Directors, Officers, Insiders, and Promoters are engaged in, and will continue to be engaged in, corporations or businesses which may be in competition with the search by the Company for businesses or assets to close a Qualifying Transaction. See "Directors, Officers and Promoters".

Accordingly, situations may arise where the Directors, Officers, Insiders, and Promoters will be in direct competition with the Company. The Directors and Officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as Directors and Officers. Discharge by the Directors and Officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the Directors and Officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflict, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act (British Columbia).

Audit Committee

ITEM 1 - THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board of Directors (the "Board").
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet as necessary to fulfill its duties and responsibilities in person or via telephone at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

- (9) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

- (viii) the non audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;

- (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2 - COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Ian Slater, Paul Beattie, and Jay Sujir. All of the members are "financially literate" within the meaning used in National Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators. Mr. Beattie is "independent" within the meaning of section 1.4 of the Instrument. Mr. Sujir is not "independent" within the meaning used in the Instrument as he is a partner at Farris LLP, the lawyers of the Company. Mr. Slater is not "independent" within the meaning used in the Instrument as he acts as the Company's Chief Executive Officer.

ITEM 3 - RELEVANT EDUCATION AND EXPERIENCE

The relevant education and experience of each member of the Audit Committee is as follows:

MR. SUJIR

Mr. Jay Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since May 2015. From 1991 through May 2015, Mr. Sujir was a partner at Anfield, Sujir, Kennedy & Durno LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

MR. SLATER

Mr. Ian Slater has founded numerous companies and has been involved in the mining industry for over twenty years. Previously, Mr. Slater was the Managing Partner of both Ernst & Young's Canadian and Arthur Andersen's Central Asian Mining Practices. Mr. Slater is a Chartered Accountant.

MR. BEATTIE

Mr. Paul Beattie has over 33 years as a professional in finance with extensive international experience. He earned an MBA from INSEAD, France and a Bachelor of Commerce (Honours) from Queen's University, Canada. Mr. Beattie began his career as Investment Banker in 1986 to 1991 at Merrill Lynch Canada Inc. where he held the position of Vice-President and was involved in a diverse range of advisory assignments and capital markets activities including M&A mandates and new equity issues for Canadian clients. From 1994 to 2000, he was Head of Mergers and Acquisitions for one of Canada's most successful cellular phone companies, Telesystem International Wireless. From 2000 to 2006, he co-founded and worked as a Managing Partner of a boutique investment bank, Stable Capital Advisors. In 2006, Mr. Beattie co-founded the investment firm BT Global Growth with Jacques Lacroix.

ITEM 4 - AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial period was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP) not adopted by the Board.

ITEM 5 - RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Company's most recently completed financial period, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4), 6.1.1(5) and 6.1.1(6) provide exemptions in certain circumstances from the requirement that each member of the audit committee not be executive officers, employees or control persons of the Company. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

ITEM 6 - PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Committee, on a case-by-case basis.

ITEM 7 - EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor for the period from incorporation on March 9, 2021 to March 31, 2021 are as follows:

	<u>For the period from incorporation on March 9, 2021 to March 31, 2021</u>
Audit Fees	\$6,000
Audit Related Fees	Nil
Tax Fees	Nil
All other fees (non-tax) – quarterly report assistance/prospectus review	Nil
Total Fees:	\$6,000

ITEM 8 - EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

EXECUTIVE COMPENSATION

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

- (a) grants of Incentive Stock Options as described in "Incentive Stock Options";
- (b) payment for and reimbursement of certain expenses as described in "Use of Proceeds – Permitted Use of Funds" and "Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties"; and
- (c) finder's fees as described in "Use of Proceeds – Finder's Fees".

Following Completion of the Qualifying Transaction, the Company may pay compensation to its Directors and Officers. However, no payment will be made by the Company or by any party on behalf of the Company after Completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of approximately 36% or \$0.036 per Common Share, on the basis of there being 18,100,000 Common Shares of the Company issued and outstanding upon completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised pursuant to the Offering, and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Company.

Gross proceeds of prior share issuances	\$655,000
Gross proceeds of this Offering	\$500,000
Total gross proceeds after this Offering	\$1,155,000
Offering price per share	\$0.10
Proceeds per share after this Offering	\$0.064
Dilution per share to subscriber	\$0.036
Percentage of dilution in relation to offering price	36%

ELIGIBILITY FOR INVESTMENT

In the opinion of Farris LLP, counsel to the Company, based on the provisions of the Income Tax Act (Canada) and the regulations thereunder (collectively, the "Tax Act") in force on the date hereof, provided the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the Exchange), or the Company is otherwise a "public corporation" (as that term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a "registered retirement savings plan" ("RRSP"), "registered retirement income fund" ("RRIF"), "tax-free savings account" ("TFSA"), "registered education savings plan" ("RESP"), "deferred profit sharing plan" and "registered disability savings plan"

(“RDSP”), as those terms are defined in the Tax Act (each a “Plan” and collectively, the “Plans”). Holders who intend to hold Common Shares in a Plan should consult their own tax advisors regarding whether such securities are a “qualified investment” at the relevant time for such Plan.

The Common Shares are not currently listed on a “designated stock exchange” and the Company is not currently a “public corporation”, as those terms are defined in the Tax Act. It is counsel’s understanding that the Company has applied to list the Common Shares on the Exchange as of the day of or the day before Closing, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on Closing. The Company must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on Closing and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on a “designated stock exchange” (which currently includes the Exchange) at the time of their issuance on Closing and the Company is not otherwise a “public corporation” at that time, the Common Shares will not be “qualified investments” for the Plans at that time.

Notwithstanding the foregoing, if the Common Shares are a “prohibited investment” (as defined in the Tax Act) for a particular RRSP, RRIF, RESP, DPSP or TFSA, the annuitant of an RRSP or RRIF, holder of a TFSA or RDSP or subscriber of a RESP (each such Person referred to as a “Plan Subscriber”), as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Common Shares will not be a “prohibited investment” for Plan provided that the Plan Subscriber deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (within the meaning of the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Common Shares will generally not be a prohibited investment if such securities are “excluded property” as defined in the Tax Act for purposes of the prohibited investment rules. Plan Subscribers should consult with their own tax advisors as to whether the Common Shares will be a prohibited investment for such Plans in their particular circumstances.

RISK FACTORS

A purchase of Common Shares of the Company will be highly speculative and the purchaser’s investment and the Company are subject to substantial risks, including the following, which list is not exhaustive:

- (a) the Company has a limited operating history, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Company’s business and its present stage of development;
- (c) the Directors and Officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “Conflicts of Interest”;
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of \$0.036 per Common Share or 36% as set forth under “Dilution” above;
- (e) there can be no assurance that an active and liquid market for the Company’s Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

- (g) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (i) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (m) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (n) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;
- (o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- (p) subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan; and
- (q) if the Company does not list the Common Shares on the Exchange as contemplated herein under the heading "Eligibility for Investment", adverse tax consequences may arise with respect to Common Shares held in RRSPs, RRIFs, TFSAs, deferred profit sharing plans and registered education savings plans.

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

LEGAL PROCEEDINGS

The Company is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENT

The Company is not a “related issuer” or “connected issuer” of the Agent for the purposes of National Instrument 33-105 – *Underwriting Conflicts*.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Farris LLP, on behalf of the Company. Any remuneration for legal services provided to the Company are subject to the restrictions set forth in the CPC Policy.

No Professional Person, Responsible Solicitor or a partner of a Responsible Solicitor’s firm holds any beneficial interest, direct or indirect, in any securities or properties of the Company or of an Associate or Affiliate of the Company, except for Jay Sujir who holds 1,000,000 Common Shares and 300,000 Incentive Stock Options.

No Professional Person is or is expected to be elected, appointed or employed as a Director, Officer, Employee or Promoter of the Company or of an Associate or Affiliate of the Company.

AUDITOR, TRANSFER AGENT, AND REGISTRAR

The auditor of the Company is Davidson and Company LLP, of 1200-609 Granville Street, Vancouver, British Columbia V7Y 1G6.

The transfer agent and registrar for the Common Shares of the Company is Olympia Trust Company, PO BOX 128, STN M, Calgary, Alberta, T2P 2H6.

MATERIAL CONTRACTS

Since incorporation, the Company has not entered into any contracts material to investors in the Common Shares other than contracts in the ordinary course of business and the following:

1. the Escrow Agreement dated ●, 2021, among the Company, Olympia Trust Company as Escrow Agent and certain shareholders of the Company (see “Escrowed Securities”).
2. the Transfer Agent Agreement dated June 3, 2021, among the Company and Olympia Trust Company as Transfer Agent.
3. the Option Plan.
4. the Agency Agreement dated ●, 2021, between the Company and the Agent (see “Plan of Distribution”).

Copies of these agreements will be available for inspection at the offices of 905-1111 West Hasting Street, Vancouver, British Columbia, at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

To date, the Company has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, the financial condition of the Company, and other factors which the Board of Directors of the Company may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

INDEPENDENT AUDIT REPORT AND FINANCIAL STATEMENTS

AUDREY CAPITAL CORPORATION

FINANCIAL STATEMENTS

For the period from incorporation on March 9, 2021 to March 31, 2021

(Stated in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Audrey Capital Corporation

Opinion

We have audited the accompanying financial statements of Audrey Capital Corporation (the "Company"), which comprise the statement of financial position as at March 31, 2021, and the statements of loss and comprehensive loss, changes in equity, and cash flows for the period from incorporation on March 9, 2021 to March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, Canada
DATE

Chartered Professional Accountants

AUDREY CAPITAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian dollars)

	Note	March 31, 2021
ASSETS		
Current Assets		
Cash		\$ 654,483
		\$ 654,483
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	5	\$ 6,000
		6,000
Shareholders' equity		
Share capital	4(a), 4(b)	655,000
Deficit		(6,517)
		648,483
		\$ 654,483

Corporate information and continuance of operations *1*
Subsequent events *10*

Approved for issue by the Board of Directors on ●, 2021:

Signed on the Company's behalf by:

"Ian Slater"
Ian Slater, Director

"Jay Sujir"
Jay Sujir, Director

AUDREY CAPITAL CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian dollars)

	Note		From Incorporation on March 9, 2021 to March 31, 2021
EXPENSES			
General & administrative		\$	34
Filing fees			483
Professional fees			6,000
Loss and comprehensive loss for the year		\$	(6,517)
Loss per share – basic and diluted	4(b)	\$	(0.002)
Weighted average number of shares outstanding – basic and diluted			2,977,273

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

AUDREY CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
(Stated in Canadian dollars)

	Note	From Incorporation on March 9, 2021 to March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year		\$ (6,517)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities		<u>6,000</u>
		(517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued, net of issue costs	4(b)	<u>655,000</u>
		<u>655,000</u>
Change in cash during the period		654,483
Cash, beginning of the period		<u>-</u>
Cash, end of the period		\$ 654,483

Non-cash investing and financing activities:

Except for transactions disclosed elsewhere in the financial statements, there were no non-cash investing or financing activities during the period from incorporation on March 9, 2021 to March 31, 2021.

AUDREY CAPITAL CORPORATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in Canadian dollars)

	Note	Number of Shares	Share Capital	Deficit	Total
Balance, March 9, 2021		-	\$ -	\$ -	\$ -
Shares and warrants issued, net of issue costs	4(a)	13,100,000	655,000	-	655,000
Loss and comprehensive loss		-	-	(6,517)	(6,517)
Balance, March 31, 2021		13,100,000	\$ 655,000	\$ (6,517)	\$ 648,483

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

AUDREY CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON MARCH 9, 2021 TO MARCH 31, 2021
(Stated in Canadian dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Audrey Capital Corporation (the “Company”) was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company intends to complete an Initial Public Offering (the “IPO”), after which it will become a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. As a CPC, the Company’s objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V. Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V filing requirements, professional services, and office facilities and administration, subject to certain restrictions under TSX-V Policy 2.4. Additional discussion on these restrictions is included in Note 8.

The Company’s registered office address and principal place of business is Suite 905 – 1111 West Hastings Street, Vancouver, BC, Canada, V6E 2J3.

As at March 31, 2021, the Company had cash of \$654,483, which the Company’s Management believes is sufficient to pay its operating costs for the next 12 months.

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

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. The extent to which COVID-19 may impact the Company’s business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared using the accounting policies set out in Note 3.

These financial statements were authorized for issue by the Board of Directors on ●, 2021.

AUDREY CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON MARCH 9, 2021 TO MARCH 31, 2021
(Stated in Canadian dollars)

2. BASIS OF PRESENTATION (*continued*)

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Comparative Period Information

The Company was incorporated on March 9, 2021 and these are the first financial statements to be prepared for the Company. As a result, no comparative period information is provided.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Company's accounting policies for financial assets are as follows:

Financial assets – Classification

Financial assets are classified at initial recognition as either measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in either earnings or loss, or other comprehensive income or loss ("OCI"). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in earnings or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

AUDREY CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON MARCH 9, 2021 TO MARCH 31, 2021
(Stated in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

There are three measurement categories into which the Company classifies debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings or loss when the asset is derecognized or impaired. Interest income from those financial assets is included in interest and finance (expense) income using the effective interest rate method.
- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings or loss and presented net in the statement of loss and other comprehensive loss within other gains (losses) in the period in which it arises.
- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses which are recognized in earnings or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings or loss and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange (loss) gain and impairment expenses in other expenses.

Changes in the fair value of financial assets at FVTPL are recognized in profit or loss as applicable.

The Company has implemented the following classifications for financial instruments:

- Financial assets comprise cash, which is classified at amortized cost.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has been closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

AUDREY CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON MARCH 9, 2021 TO MARCH 31, 2021
(Stated in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based compensation

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or when the individual provides services similar to those performed by an employee.

Stock options granted to Directors, Officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from those parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities arise from temporary differences between the tax and accounting values of assets and liabilities and are recorded based on tax rates expected to be enacted when those differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and therefore is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

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NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period (which excludes shares held in escrow).

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect were at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses, and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Income taxes

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

Accounting standards and interpretations issued but not yet effective

There are no new accounting standards or interpretations which apply to the Company at March 31, 2021 which have not been applied in the preparation of these financial statements.

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4. SHAREHOLDERS' EQUITY

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Share Issuance

On March 31, 2021, the Company closed a private placement for 13,100,000 shares at a price of \$0.05 per share for total proceeds of \$655,000 (the "Seed Shares"). Upon completion of the IPO and reclassification of the Company as a CPC, the Seed Shares will be transferred to escrow and will be released ratably over an 18-month period following the completion of a Qualifying Transaction.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due for professional fees and are payable within the next 12 months.

6. RELATED PARTY TRANSACTIONS

Related party transactions are measured at the amounts agreed upon by the parties. There were no related party transactions for the period from incorporation on March 9, 2021 to March 31, 2021.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has designated its cash as a financial asset at amortized cost.

a) Fair Value

Management assessed that fair value of cash, approximates its carrying amount, largely due to the short-term maturity of this instruments. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values.

The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

b) Financial Risk Management

Credit Risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

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7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital to meet short-term business requirements, taking into consideration cash flows from operations and the Company's holdings of cash, as well as anticipated proceeds from equity financing. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding may be required to meet long-term requirements. As at March 31, 2021, the Company had cash of \$654,483 to settle current trade liabilities of \$6,000. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

8. CAPITAL MANAGEMENT

Capital is composed of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2021, the Company's shareholders' equity was \$648,483 and it had current liabilities of \$6,000. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements, and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply on completion of the IPO. These expenditure restrictions limit the aggregate amount that the Company is permitted to spend on reasonable general and administrative costs of the Company not exceeding in aggregate of \$3,000 per month, and reasonable expenses incurred related to a Qualifying Transaction.

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9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the period from incorporation on March 9, 2021 to March 31, 2021 is as follows:

Loss for the period	\$	(6,517)
Statutory tax rate		27.00%
Expected income tax (recovery)	\$	(1,760)
Change in unrecognized deductible temporary differences		1,760
Total income tax expense (recovery)	\$	-

The significant components of the Company's deferred tax assets as at March 31, 2021 are as follows:

Deferred tax assets (liabilities)		
Non-capital losses available for future periods		1,760
Unrecognized deferred tax assets		(1,760)
Net deferred tax assets	\$	-

The significant components of the Company's temporary differences= and unused tax losses that have not been included on the statement of financial position are as follows:

		March 31, 2021	Expiry Date Range
Non-capital losses available for future periods	\$	6,517	2041
Canada	\$	6,517	2041

Tax attributes are subject to review and potential adjustment by tax authorities.

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10. SUBSEQUENT EVENTS

a) Incentive stock option plan

On May 12, 2021, the Board of Directors adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Corporation may, from time to time in its discretion and in accordance with TSX-V regulations, grant to Directors, Officers, employees, or Management Company employees and consultants to the Corporation, non-transferrable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of the grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On the Initial Public Offering date, the Company will grant 1,800,000 stock options to Directors and Officers of the Company, exercisable at a price of \$0.10 for a five-year period following the date of their grant.

b) Initial public offering

On May 4, 2021, the Company entered into a letter of intent with Canaccord Genuity Capital Markets (“Canaccord”) pursuant to which Canaccord would act as the Company’s agent for the IPO. Under the terms of the IPO, the Company would offer 5,000,000 of its common shares at a price of \$0.10 per share for up to \$500,000 in gross proceeds. As compensation for agency services, Canaccord would receive a cash commission of 10% of the gross IPO proceeds, a \$50,000 finance fee, reimbursement for out-of-pocket expenses, and 50,000 agent’s warrants (the “Agent’s Warrants”). Each Agent’s Warrant would be exercisable to purchase an additional common share in the Company at a price of \$0.10 for a 60-month period following the completion of the IPO.

CERTIFICATE OF COMPANY

Dated: June 25, 2021

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in British Columbia, Alberta, Manitoba, and Ontario and the regulations thereunder.

“Ian Slater”

Ian Slater
Chief Executive Officer
President
Director

“Mary Braun”

Mary Braun
Chief Financial Officer
Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

“Jay Sujir”

Jay Sujir, Director

“Paul Beattie”

Paul Beattie, Director

CERTIFICATE OF PROMOTER

Dated: June 25, 2021

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in British Columbia, Alberta, Manitoba, and Ontario and the regulations thereunder.

“Ian Slater”

Ian Slater, Promoter

nor

CERTIFICATE OF AGENT

Dated: June 25, 2021

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

CANACCORD GENUITY CORP.

“Glenda Chin”

Glenda Chin
Director, Underwriting & Retail Syndication